ORGANISER

A behavioural approach for
influencing organisations

Contents

1: The ORGANISER approach

Summary

- ORGANISER is a behavioural approach to influencing organisations. It was commissioned by a cross-Government group and has been designed to support better policy making by:

    - improving the design or targeting of policy by enabling the likely behaviour of organisations to be considered in advance; and

    - reducing the risk of policy failing to achieve its ambition, by highlighting possible unintended responses from, or behaviours by, organisations.

- ORGANISER was inspired by the success of insights into individual behaviours.   As with tools such as MINDSPACE, EAST, COM-B and ISM, ORGANISER complements existing policy making approaches.

- ORGANISER is based on detailed evidence gathered by the Institute for Employment Studies during an extensive Rapid Evidence Assessment. Findings from the Rapid Evidence Assessment are published separately.

- Upon completion of the Rapid Evidence Assessment, Brook Lyndhurst worked with nearly 200 policy experts from across Government and beyond to distil from the evidence a set of common themes and to derive key insights into organisational behaviour and decision making. ORGANISER is the outcome of that process.

- Each letter of ORGANISER corresponds to a common theme; and for each theme, ORGANISER presents definitions, questions, links to useful information and suggestions for action.

- The material supports policy makers, at any point in the policy cycle, to adopt a behavioural perspective on organisations and, to avoid making assumptions that are not based in evidence about how organisations behave.

- Examples are provided, illustrating how policies across a wide range of areas have benefitted from adopting a behavioural perspective on organisations.

- ORGANISER is a resource that will support innovation in policy making and the creation of further examples and evidence in the future. As such, it is a living resource and it is hoped that all those using and testing it will contribute to its ongoing development.

The ORGANISER Approach

ORGANISER is a mnemonic derived from the titles for each of nine 'Common Themes'. The Common Themes have been derived from the evidence base and comprise a set of perspectives on organisational behaviour. Collectively, the Common Themes comprehensively capture the factors that have been shown to influence organisational behaviour and organisational decision making.

Consideration of each Theme helps to understand why organisations behave the way they do, and to begin to identify ways of influencing that behaviour. The Common Themes fall into three groups:

Those in **green** refer to behavioural factors which are **external** to an organisation

Those in **red** refer to behavioural factors which are **internal** to an organisation

Those in **orange** refer to the **decision-making processes** within an organisation

The nine themes are set out in the table overleaf. The positioning of each theme is important as it suggests relationships across themes. For example, 'relationships' and 'gaining advantage and reputation' are placed adjacent to one another because they are similar and related. The order of the themes within each of the three groups is also important as the ones at the periphery may be considered to be linked to the preceding or following category. For example, 'Aims' refer to behavioural factors which are internal to an organisation but these aims may, at times, be outward looking and, therefore, be relevant to external factors as well.

These themes, however, are not hierarchical, as may be inferred by the table. The ORGANISER approach shows the full complexity of organisational behaviour: namely, that a multiplicity of factors are at play, and they are inter-related. Just as w ith individual behaviour, there can be no presumption as to which factor is most important. It is only by adopting a careful and systematic approach, and asking the right questions, that the behavioural perspective can be brought to bear. The material in the section on 'Detailed material for each theme' helps users to adopt such a perspective. This means recognising that the evidence set out in the REA and the materials presented here is only the beginning of a process.

Only by testing and exploring the application of these insights can the true potential and ambition of the ORGANISER approach be fulfilled. This will mean drawing on the collated evidence from the research and academic community and designing pilots which test the use of the ORGANISER approach with 'live' policy options and issues. Lessons, both positive and negative, will need to be learned and shared. Experiments will need to take place in different settings, for different policy areas and by different departments and agencies. Mechanisms to conduct and evaluate these experiments and to share the lessons learned will need to be put in place. It is the beginning of an exciting time for applying behavioural insights for organisations and further improving evidence-based, open policy making.

The Nine Themes of ORGANISER		
Theme		**Brief description**	**Overarching suggested action**
External	Operating environment	Organisations operate in an environment characterised by a complex set of laws, regulations, taxes, and other influences that shape behaviour.	Map how the operating environment is enabling or constraining organisational behaviour and how this can affect your policy or issue.
	Relationships	Organisations exist within a network of relationships – with suppliers, customers, shareholders and others – that influence behaviour.	Identify most important network members and assess how your respective interests align and identify potential entry points for influence.
	Gaining advantage & reputation	Organisations pursue some sort of comparative or competitive advantage relative to others with which they either compete or compare themselves.	Assess whether your policy or issue can benefit from benchmarking similar organisations against each other
Internal	Aims	Organisations always have an aim or a goal or a purpose; and this aim shapes and helps to explain behaviour.	Frame your policy so it aligns with known organisational aims and capitalise on how your policy may positively affect or enhance organisational aims
	Norms & organisational culture	Organisations have norms – a culture, rules, an ethical framework, a sense of their own identity – that explain and influence behaviour.	Frame policy to align with internal organisational norms/values; and assess what shift in values/norms might be necessary to enable your policy to be more successful
	Internal structures	Organisations have an internal structure – leadership, teams, a more-or-less explicit distribution of power, a varied mechanism of making decisions – that shapes behaviour.	Target policies at the right level of decision makers focusing where responsibility for implementation resides within target organisations
Decision-making processes	Strategic processes	Organisations tend to be more strategic and slower in their decision-making than an individual; they are slower;. This can be positive, by softening extreme positions; or can be negative, creating a 'group-think' situation that reinforces an extreme position.	Gather evidence on decision-making by the organisation(s) and assess whether it is possible to influence any factors of negative or biased strategic decision making via your policy or issue.
	Estimation	Organisations are constrained by time and resources and use heuristics and rules of thumb – best estimates – to make decisions.	Make things easier and design implementation of policies to go with the grain of behaviour by accounting for organisational constraints and short-cuts.
	Relying on trusted sources	Organisations rely on trusted sources, in particular, to provide information, insight and judgment when making decisions.	Secure the buy-in from and use, where possible, trusted sources to deliver messages relating to your policy or issue.

2: User guide and detailed material for each theme

This section presents selected results from a programme of work conducted during 2015 and entitled 'Behavioural Insights for Organisations'. The work was led by the Department of Energy and Climate Change (DECC) on behalf of a cross-government group[1].

The programme of work entitled 'Behavioural Insights for Organisations' took place in two parts: a first part, comprising a large-scale rapid evidence assessment (hereafter REA) led by the Institute for Employment Studies; and a second part, comprising an engagement and co-design exercise with prospective users, led by Brook Lyndhurst.

The REA aimed to understand the generalizable and/or common factors which:

- Explain organisational behaviours; and

- Influence and/or nudge organisational decision-making and change.

The second part took the form of an iterative consultation process, with the aims of:

- Drawing out common insights from the REA;

- Producing practical, salient and impactful user-centred outputs for cross Government policy development, service delivery and communications; and

- Engaging potential users in co-design, co-production and testing of outputs.

The key output from the first part of the work is a full, standalone report entitled: "Understanding the Behavioural Drivers of Organisational Decision Making: Rapid Evidence Assessment. An annotated version of this REA with hyperlinks to sections identified as most relevant to each of the ORGANISER themes is available at https://www.gov.uk/government/publications/organiser-a-behavioural-approach-for-influencing-organisations.

This section presents outputs from the second part of the work:

- User guide – an introduction to, and explanation of, the ORGANISER mnemonic and approach, as well as how it is intended to be used.

- Detailed material – a set of nine sections, one for each of the nine letters in ORGANISER, containing the detailed material.

It is also supported by two annexes – one outlining the detailed approach used in the development of ORGANISER and another listing acknowledgements.

User Guide

Many government policies depend for their effectiveness on the response of organisations. Many existing policy instruments – regulation, taxation, legislation, and so on – either directly or indirectly act upon organisations. Just as with individuals, however, how organisations respond to these instruments is not always rational or straightforward to predict.

Insights into organisational behaviour and organisational decision-making – previously unavailable to the policy community in a systematic and structured fashion – offer the potential to improve the process of formulating, implementing and monitoring policy.

These insights are not a substitute for existing instruments. Rather, they offer a potential two-fold benefit:

- Improving the design or targeting of a policy, and thus its impact, by enabling the likely behaviour of organisations to be considered in advance.

- Reducing the risk of a policy failing to achieve its ambition, by highlighting possible unintended response or behaviour of organisations.

Following a careful review of the evidence – presented in the REA – and a programme of discussion and consultation with prospective users, insights into organisational behaviour were classified into nine key themes. The nine themes are introduced in 'The ORGANISER Approach', below. In the 'Detailed material' section for each theme, insights, questions, and suggested actions are presented which are designed to be relevant to a policy or issue, at any point in the policy process.

They are intended to enable the user to probe and explore a policy to test whether improvements can be made by incorporating behavioural insights about organisations.

This process can be applied at any stage of the policy cycle, broadly as follows:

- *Initial development* – the approach may reveal gaps or inconsistencies in the model or theory of change that is being used, or gaps in the underlying evidence base, and/or ways of enhancing the existing evidence base to bridge these gaps.

- *Refinement and finalisation* – the approach may help identify weak spots in the proposed policy, or suggest 'add-ons'.

- *Implementation* – the approach may help to refine engagement or communication processes, or help to explain under-performance.

- *Monitoring and evaluation* – the approach may help to design better/more holistic methods of assessing the effectiveness of policy.

The themes, questions, and suggested actions have been designed to be as general and widely applicable as possible. The themes are presented as having equal importance, although precise relevance of any given question or action will vary from policy to policy. Similarly, the value of particular themes will vary between users, depending on their degree of familiarity with the evidence on organisational behaviour and the relevance of that specific theme to the policy or issue in question.

Food Standards Agency, Department of Health, Health and Safety Executive, Department for Transport, Public Health England and Equality and Human Rights Commission.

Furthermore, the approach is designed to prompt thought and intended users may not agree with the suitability of all suggested questions, actions or examples.

It is not intended that users necessarily make use of the entire set of themes on every occasion. Users can choose a single theme that may be more relevant for the policy or issue in question and follow the ORGANISER approach. Users can work through the approach individually or, as it was developed, through group brainstorms and in workshops.

Overarching considerations to bear in mind when using this approach are:

- The material is intended to work alongside and to complement existing policy processes, not replace them.

- The questions and suggested actions in the 'Detailed material' are not, and are not intended to be, exhaustive. Users may find themselves asking 'Yes, but what about X?' or 'Doesn't that mean a link to Y?' This is the hoped-for effect: the material offers a way of thinking about organisational behaviour, and is intended to prompt further enquiry.

- Although the material is based on factors that have been identified as *generally applicable* to organisational behaviour, it is not a 'one size fits all' approach – the specific considerations of particular sectors and organisations of different sizes must not be forgotten.

- Since the material is based on organisational behavioural insights, it both complements and interacts with approaches concerned with individual behaviour change. As organisations are comprised of individuals; there are circumstances where the behaviour of particular individuals may need to be the focus of effort to influence organisational behaviour. The tool is thus intended to be complementary to tools such as BCW, COM-B, EAST, MINDSPACE and ISM.[2]

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[2]

Behaviour Change Wheel (BCW) and COM-B: http://www.behaviourchangewheel.com/about-wheel;

EAST: http://www.behaviouralinsights.co.uk/publications/east-four-simple-ways-to-apply-behavioural-insights/;
MINDSPACE: http://www.instituteforgovernment.org.uk/our-work/better-policy-making/mindspace-behavioural-economics ;
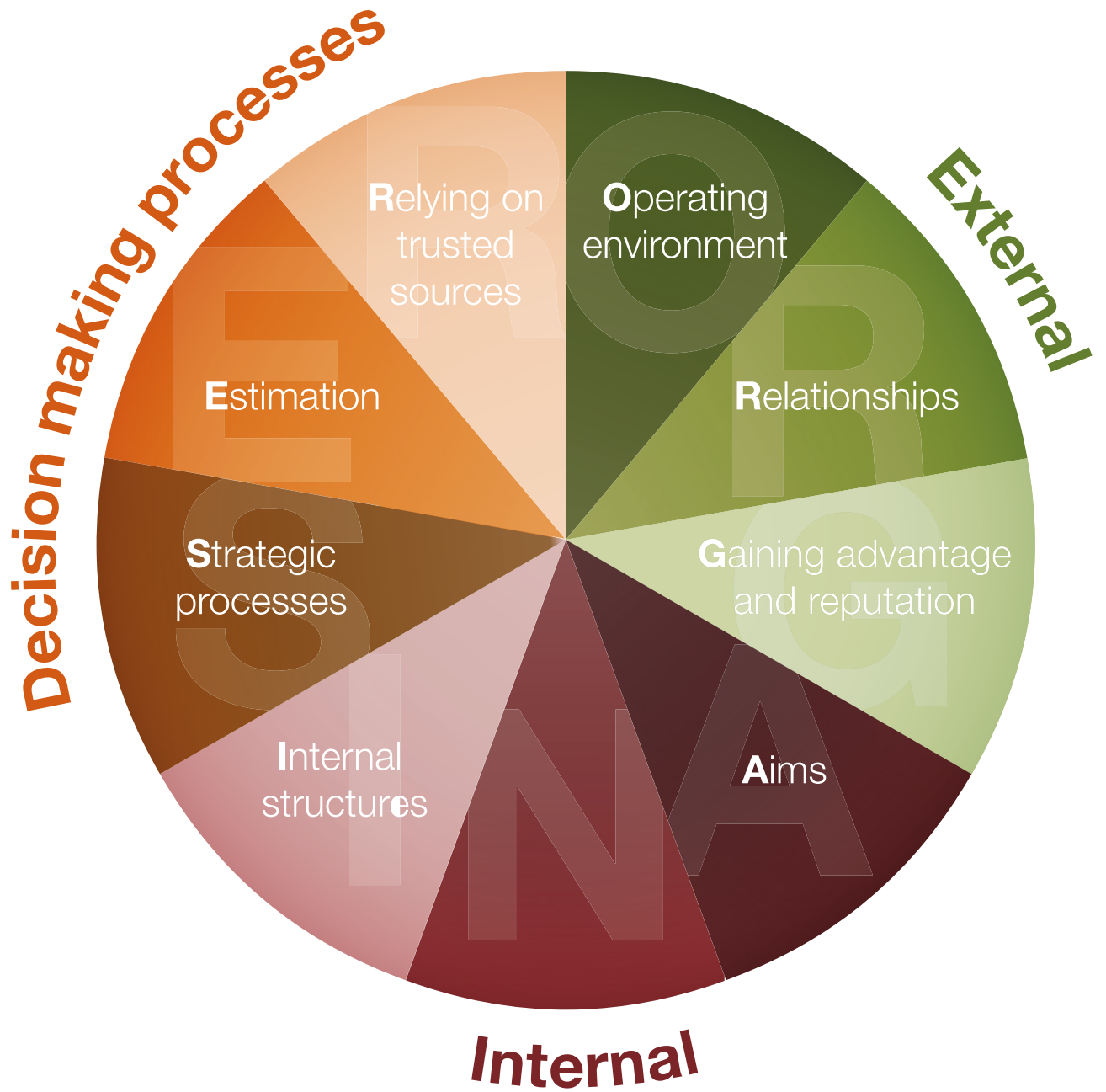
Detailed material for each theme

Each of the nine ORGANISER themes is set out in turn in this chapter. Using a common format, the meaning of each theme is summarised and illustrative examples are provided. At the core of each theme is a set of questions and suggestions for action intended to enable the user to incorporate the behavioural approach into their work.

Each theme is presented in a common format as follows:

- A **brief description** of the theme is provided in bullet point form

- **Examples** are provided, illustrating the relevance of the theme from a policy or practical perspective[3]. Practical examples are derived from the case studies conducted as part of the REA; policy examples have been provided by Government departments and agencies.

- A list of **questions** is set out, intended to help the user consider the organisational insights associated with each theme and to offer a perspective on the policy issue that they are considering.

- Some **possible actions** are suggested – one set for situations in which relatively little is known about the Theme in question, one set where more information is known.

- A more **detailed description** of the theme is provided.

- Top-level linkages to the **relevant sections of the REA** report are provided.

- The extent to which the theme is **generally applicable**, or where there are circumstances in which it is not applicable, is summarised.

- **Relevant links** to other ORGANISER themes are set out; and so too are links to any other relevant (individual) behavioural tools, however, this is not exhaustive.

The material is presented in the next chapter in the ORGANISER sequence, this can be also be accessed by clicking on any of the hyperlinks for each of the nine themes in the diagram below, using it as a navigation tool or table of contents

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and ISM http://www.gov.scot/Resource/0042/00423436.pdf.

External

Internal

Decision making processes

Operating environment

Relationships

Gaining advantage and reputation

Aims

Internal structures

Strategic processes

Estimation

Relying on trusted sources

Operating Environment (External)

Brief description

- An organisation's operating environment is the landscape within which an organisation functions including: laws, taxes and regulation; but also incentives, information, resources, prices, etc.

- Organisations exist in a complex and dynamic operating context.

- Some aspects of their operating environment are directly under the control of policy. These include laws, regulations and taxes.

- Many other features – including the degree of competition, the costs of materials, availability of suitable skills, etc. – may be amenable to influence by policy.

- The operating context shapes and influences organisations' behaviour and knowledge of it is essential in order to design effective behavioural policy interventions.

Policy example – DfT policy for ultra-low emission vehicles takes account of organisations' operating environment

Department for Transport (DfT) officials in the Office for Low Emission Vehicles led discussions with the European Commission, the Council of Ministers and the European Parliament to tighten regulation on the CO_2 emissions of new cars sold into the EU market. Only by shaping relevant regulation could the development and production of ultra-low emission vehicles by manufacturers be assured and possibly accelerated, thereby encouraging a shift in organisational behaviour.

Understanding the **operating environment** for the automotive industry was essential. It is competitive at global and EU levels, and primarily aims to deliver shareholder value whilst operating within the constraints of a demanding regulatory environment. DfT recognised that in the very early market for ultra-low emission vehicles, before mass-market uptake, car manufacturers were unlikely to develop and sell new technologies of their own volition. Furthermore, vehicle manufacturers could themselves help shape future regulation through direct engagement and lobbying with the political process at European level.

The most recent phase of work began in 2012, with formal adoption of the regulations in 2014. Industry and NGO stakeholders were closely, but not formally, involved at all stages. Careful insight into the operating environments was vital to the success of both the process and the outcome. Policy controlling and influencing the **operating environment** directly encouraged a behavioural

shift amongst vehicle manufacturers which in turn encouraged allowed change amongst consumers. As in other EU markets, the number of models available to consumers has increased significantly since the introduction of the new regulation. Sales of ultra-low emission vehicles are now growing strongly in the UK, with a 94% increase between 2014 and 2015.

More information is available at:
www.euractiv.com/sections/transport/car%20makers-gear-next-round-co2-emission-cuts-314952
www.theicct.org/sites/default/files/publications/ICCTupdate_EU-95gram_jan2014.pdf

Source: DfT

Practical example: A local authority changes process due to the operational environment

In 2012, the Liberal Democrat-Conservative coalition government separated council tax benefit from Universal Credit. Through the Local Government Finance Act, local authorities in England had to create their own scheme for council tax support to replace council tax benefit in April 2013.

Central government advised local authorities that any new scheme needed to be devised within certain parameters (e.g. include protection for pensioners, proposed changes to go to consultation). Local authorities were given a deadline for deciding on the changes else a default scheme would be imposed. Given this, the Local Authority in question, with its 300 full-time staff, hierarchical structure and multiple operational divisions, acted quickly and collaboratively.

A Communications Control Manager (CCM) was given responsibility for identifying all relevant relationships and ensuring all appropriate parties were involved effectively, including through public consultation. According to the CCM there was an awareness that other local authorities were being legally challenged regarding their proposed changes, so theirs needed to be as robust as possible and carefully account for all aspects relating to the **operating environment**.

Final decision-making rested with the Authority's political leadership, but the public, legal and equalities impact required due consideration in the process. The success of the Authority's ability to set up a change process was very much linked to the encouraging **operating environment**.

More information is available at:
https://www.gov.uk/government/publications/2010-to-2015-government-policy-welfare-reform/2010-to-2015-government-policy-welfare-reform

Source REA Case Studies

WHAT: A list of questions to help you understand the situation

› Do you have an accurate and thorough knowledge of the operating environment for the organisations you are concerned with?

› As well as the regulatory, legislative, and fiscal environment, consider issues such as: labour market and skills issues; transport and technology infrastructure; market structure (size, local/regional/global distribution etc.); capital; cost of key inputs (raw materials, property etc.)

› Is your policy encouraging or restricting behaviour?

› Consider past, present and future aspects– are historic perspectives likely to have a major impact on organisations' behaviour? Is information about future changes affecting behaviour?

HOW: Suggested actions

Low level of information on Operating environment

› Map influences relating to operating environment (e.g. legal, fiscal, regulatory, etc.) on an organisation/sector, drawing on others in a workshop if possible. Then identify how many you are able to directly control or indirectly influence through your policy intervention.

› Engage representative bodies /key organisations to understand current issues and test against your understanding of the operating environment.

High level of information on Operating environment

› If appropriate, conduct a **SWOT or PESTLE** analysis from the perspective of the organisation.

› Engage policy colleagues covering other fields and leading academics to gain an alternative perspective on the various aspects of the operating environment influencing the organisation, perhaps setting up a 'challenge' panel to feedback on policy areas.

› Consider outputs of business trends surveys to see how issues relating to operating environment have changed over time.

Detailed description

The context within which organisations are operating is an important factor in influencing behaviour. Accordingly, consideration needs to be given to the broad operating environment within which an organisation functions. This includes laws, taxes and regulation; but also the full range of incentives, information, availability of resources, prices and so on.

Policy can influence an organisation's operating environment both directly (e.g. via taxes) and indirectly (e.g. via training and skills policy). It is also important to be aware that an operating environment can either enable or constrain an organisation. Policies that aim to influence the operating environment need to distinguish between encouraging behaviours (i.e. an enabling approach) or discouraging behaviours (i.e. a restrictive approach).

Relevant sections in the Rapid Evidence Assessment

Chapter 3 – 'Structural Factors', including 'External factors'; 'Regulatory environment'; Regulatory approach'; 'Decision-making process in compliance'

Applicability across organisations

All organisations have an 'operating environment'. For organisations in different sectors, of different sizes/different stages of development, the relative importance of different aspects of their operating environment will vary.

Links to related themes in ORGANISER

'External: Relationships'
'External: Gaining advantage'
'Internal: Norms and organisational culture'

Links to other behavioural tools

Open Policy Making toolkit: https://www.gov.uk/guidance/open-policy-making-toolkit
ISM model: rules & regulations, times & schedules, infrastructure
Michies' Behaviour change wheel: regulation, legislation

Relationships (External)

Brief description

- An organisation does not operate in isolation but functions within a network of relationships with other organisations/groups.

- These relationships - with competitors, suppliers, advisors, regulators, customers, etc. - influence its behaviour and decision making.

- The type of influence varies across different types of relationship, ranging from formal accountability (to e.g. shareholders or voters) to reputational impacts (with e.g. customers).

- Policy may influence organisational behaviour via direct relationships (where it has a direct relationship e.g. as regulator) and indirectly (where it can seek to affect other relationships e.g. via supply chains).

Go to Detailed description

Policy example – Fostering local relationships to achieve policy goals

Estates Excellence, a project by the Health & Safety Executive, is a partnership to provide small and medium sized enterprises (SMEs) within a specific area (such as an industrial estate) with free training, guidance and a support network of local relationships.

The scheme works with existing relationships. It involves large, mature organisations helping smaller, local organisations. Free advice is provided on health and safety, and wider topics such as fire safety, site security and wellbeing. Many of the partners state that sharing their experience and knowledge is rewarding, they are proud to help other businesses meet their health and safety obligations. It provides larger, mature organisations with networking opportunities, potentially new business contracts and forms part of their corporate and social responsibility agenda.

The local approach ensures informal and effective sharing of knowledge, in a practical environment, and at low cost. The local nature of the scheme ensures SMEs do not spend time and resources travelling to training courses, or on risks that are not relevant. Using **relationships** between organisations also means the HSE has been able to act as a catalyst and improve health and safety outcomes. Since being rolled out nationally, more than 5,000 businesses have taken part and training to 4,000 people has been provided.

More information is available at:
http://www.hse.gov.uk/estatesexcellence/

Source: HSE

Practical example – **Capitalising on relationships to encourage transparency**

In 2011, under the Public Health Responsibility Deal, the UK government challenged the drinks industry to address alcohol-related harms and impacts on health.

In response to this challenge, the industry - led by its social responsibility body the Portman Group - worked in partnership with the Department of Health, the Home Office and drinks companies to set up voluntary commitments to encourage responsible drinking. The commitment was that "80% of products on shelf (by December 2013) will have labels with clear unit content, NHS guidelines and a warning about drinking when pregnant."

By providing public commitments, the actions of the drinks industry were put under the spotlight. The motivation for action was based upon the existing commitments of the drinks industry to ensure its products are consumed responsibly; the potential negative consequences of failing to meet the target; critical enquiry by the government; and pressure from others not to bring the industry into disrepute.

In 2014, an independent evaluation confirmed that the industry had met the labelling pledge target achieving a 79.3% compliance on a sample of 500 products on sale.

More information is available at:
https://responsibilitydeal.dh.gov.uk/

Source: Portman Group

WHAT: A list of questions to help you understand the situation

> Do you have a clear sense of the network of relationships affecting the organisation(s) you are considering?

> Which parts of the network have the greatest influence on organisations' behaviour?

> Which relationships are more important than others with regard to your particular policy area?

> Do you have effective links with the most important network members?

> Have you/could you develop a case for persuading important network members to exert influence on organisations on your behalf?

> Is your relationship with these influential members based on reciprocal trust?

HOW: Suggested actions

Low level of information on Relationships

> Develop a map of network relationships that influence the organisation(s)

> Make sure that this network is as comprehensive as possible (consider e.g. trade bodies, embassies, sector specialists)

> Identify the most important network members and assess connections you/your Department/ agency have/has

> Assess degree of fit between network member interests and your interests

High level of information on Relationships

> Develop case for persuading influential network member(s) to work on/with your policy option

> Consider exercises to highlight positive and negative key relationships and/or their impact to help you understand the relationship dynamics and where the influential actors lie

> Design (possibly in partnership) mechanisms for implementation and monitoring

> Consider small scale trials and/or pilots to identify most effective delivery mechanisms from a relationships' perspective. Use the results to test/refine your approach.

Detailed description

Network of **relationships** can both constrain and enable an organisation. Customers, for example, provide an organisation with the demand for its good or services, but also limit its scope for change. Similarly, funders may provide an organisation with the resources it needs to grow or adapt, but also expect a return on their investment and thus restrict the organisation. Thus, a potentially effective way for policy to influence organisations can be an indirect route, via those parts of a network that have most influence.

Using supply-chains in this way (either upward or downward) is well-established as an influencing mechanism, but evidence suggests the importance of supply chains can vary hugely between different sectors / organisations. The pattern of influence can also vary over time, in terms both of the development of individual organisations and entire sectors.

Relevant sections in the Rapid Evidence Assessment

Chapter 3 – 'Structural Factors', including 'Position in the market'; 'Sensitivity to stakeholders and shareholders; and position in the market'

Applicability across organisations

All organisations, irrespective of size/sector, have relationships that influence their behaviour. The relative significance of different relationships varies between organisations, sectors, and over time.

Links to related themes in ORGANISER

'External: Operating Environment'
'External: Gaining Advantage and reputation'
'Decision making processes: Relying on Trusted Sources'

Links to other behavioural tools

Behavioural Insight Team, Goldacre, B. and Torgerson, R. (2012). Test, Learn, Adapt: Developing Public Policy with Randomised Controlled Trials, Cabinet Office.
ISM model: networks & relationships
EAST: power of networks

Gaining advantage and reputation (External)

Brief description

- Organisations pursue comparative or competitive advantage relative to other organisations with which they either compete or compare themselves.

- Advantage is measured in formal, quantitative terms (e.g. turnover/profitability); or be more intangible (e.g. reputation).

- Policy needs to be alert to the extent to which it help/hinders an organisation's pursuit of advantage.

- Reputational issues can influence organisations' behaviour.

- Groups are more competitive than individuals.

<u>Go to Detailed description</u>

Policy example – Reputation used to encourage 'Women on Boards'

In 2011 in the FTSE 100 women made up 12.5% of boards and there were 21 all-male boards. The UK has adopted a voluntary business led approach to addressing this disparity.

As part of this approach, Department for Business, Innovation & Skills (BIS) working with Lord Davies's Steering Group published regular reports on 'Women on Boards' from February 2011 to October 2015. This report included 'league tables' of the FTSE 100's performance in terms of the proportion of women on their board. Consistent high performers and most improved performers were named in the report. As well as publicly recognising these achievements it was hoped that this element of competition, peer pressure and bettering reputation would encourage other businesses to improve the gender diversity of their boards. BIS think this is one of the factors that led to an increase of representation of women on FTSE 100 boards.

The proportion of women on boards doubled during this initiative. There are no longer any all-male boards in the FTSE 100 and the 25% target for representation of women on boards, as set by the Davies review in 2011, was met by July 2015. In a 5 year summary report published in October 2015, achievement against the voluntary business-led target increased to 33%.

More information is available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482059/BIS-15-585-women-on-boards-davies-review-5-year-summary-october-2015.pdf.

Source: BIS

Practical example – **Food businesses displaying hygiene ratings because of its comparative advantage**

The Food Hygiene Rating Scheme is a partnership between local authorities and the Food Standard Agency (FSA) providing customers with information on hygiene standards of food outlets.

Food businesses receive a rating based on the findings of the local authority food safety officer inspections which assess compliance with food hygiene law. Businesses are given a sticker and certificate with their rating and are encouraged to display it in a place visible to consumers (e.g. a window or entrance).

A policy driver for the scheme is one of **gaining comparative advantage** – that by displaying the food hygiene certificate, businesses are trying to display something "extra" that other local restaurants may not have.

Research carried out in 2013 found evidence of businesses reporting positive impacts of displaying a certificate, including perceptions of greater customer confidence; better reputation amongst customers, and more customers.

More information is available at:

http://www.food.gov.uk/sites/default/files/fhrs fhis-eval2011-14.pdf
https://www.food.gov.uk/sites/default/files/FS409001%20Final%20Report.pdf

Source: FSA

WHAT: A list of questions to help you understand the situation

> Considering the organisation(s) with which you are concerned, do you have knowledge and/or insight into organisations with which they compete/compare themselves?

> In what ways do the relevant organisations benchmark themselves against one another?

> How important are reputational issues? (i.e. is it consumer/customer/public facing or not)

> What measures do organisations use to assess their degree of advantage?

> Does your policy affect comparative advantage or reputation?

HOW: Suggested actions

Low level of information on Gaining advantage and reputation

> Gather information on key indicators of advantage used by organisations.

> Assess whether and /how your policy issue aligns with indicators of advantage.

> Consider whether your policy levers can better align with organisational advantage. If there is a mismatch between your policy or issue and organisational advantage, assess how this can be mitigated or minimised.

High level of information on Gaining advantage and reputation

> Consider ways in which reputational or advantage indicators could act as a policy lever or could improve your policy.

> Explore the potential for introducing new measures of comparative advantage (e.g. league tables, industry ratings/accreditations, peer pressure, and, potentially, naming and shaming tactics).

> Attempt to engage one or more sector leaders/stakeholders to your cause, to highlight the advantage associated with your policy issue thereby encouraging others to follow.

> Share information about what similar organisations are doing in order to promote competition

Detailed description

Groups are more competitive with each other than individuals. Organisations benchmark themselves against other organisations they consider to be similar. This benchmarking can take a wide variety of forms: direct and measurable indicators such as turnover, profitability, growth or success in attracting funds or investment. It can also be in terms of status, or reputation. Organisations pursue comparative or competitive advantage with respect to other organisations, i.e. to be seen as better or stronger than their peers. They thus innovate, or emulate behaviours they observe among their peers, to maintain their status, reputation and so on. This competitiveness can be used as a policy lever or to inform the development and success of policy interventions.

Policies seeking to influence organisations' behaviour can account for this by considering whether a specific policy option will assist in organisations' pursuit of advantage, or the opposite. Alternatively, policy may be able to influence the measures and mechanisms by which organisations benchmark themselves. Attempting to change the means by which organisations measure reputation would be an example of this. Consumers may be willing to pay more for ethical goods, organisations with a good reputation may be more able to attract intrinsically motivated workers.

Relevant sections in the Rapid Evidence Assessment

Chapter 3 – 'Structural Factors', including 'Position in the market'; 'Corporate image and CSR'
Chapter 4 – 'Behavioural Drivers,' including 'Discontinuity, group rivalry, completion and co-operation'; 'Ethics and Organisational Culture'

Applicability across organisations

All organisations pursue advantage of some kind. Commercial and/or private sector organisations tend to focus on competitive advantage: that is, they behave in ways designed to achieve measurable success in the marketplace. This might take the form of growth or profit. Public sector organisations may focus instead on comparative advantage – e.g. highest standards of service, or the highest levels of efficiency.

Reputational issues appear to be common to all organisations. This particularly true for larger organisations as an organisation grows in size the opportunities for reputation will increase. The relative significance of these issues varies between organisations of different sector, size, and /or at different stages of their lifecycle. For example, consumer-facing organisations may be more concern with reputation, and start-ups may be more focused on turnover growth; while larger and/or more mature businesses may be more focused on market share.

Links to related themes in ORGANISER

'External: Operating Environment'
'External: Relationships'
'Internal: Aims'
'Internal: Norms and organisational culture'

Links to other behavioural tools

MINDSPACE: Commitments
ISM – roles & identity, opinion leaders

Aims (Internal)

Brief description

- Organisations always have an overarching aim, goal or purpose. These aims shape and help to explain behaviour.

- Depending on sector/culture, the key aim of an organisation varies. It may be 'maximising profit', or 'delivering shareholder value' or 'pursuing a charitable cause that benefits the community' or 'delivering a quality service'.

- Factors that might influence the organisation are viewed (by the organisation) through the lens of these aims.

- Organisations' aims whether primary or secondary may or may not align with policy. Policies that conflict with, or are peripheral to an organisations' aims, will be less likely to influence behaviour.

<u>Go to Detailed description</u>

Policy example – Industry-wide shared aims reduce food and packaging waste

Set up in 2005 the Courtauld Commitment is a voluntary agreement to improve resource efficiency and reduce waste in the grocery sector. The agreement is funded by Westminster, Scottish, Welsh and Northern Ireland governments and delivered by WRAP.

It fits with the UK governments' policy aim of a 'zero waste economy' and climate change aims to cut greenhouse gas emissions. WRAP works in partnership with leading retailers, brand owners, manufacturers and suppliers to achieve set aims.

The agreement will report soon on its third phase (2013-15), and a new agreement The Courtauld Commitment 2025 was launched in March 2016. The first phase (2010-15) prevented 1.2 million tonnes of food and packaging waste, equivalent to £1.8 billion, and 3.3 million tonnes of CO_2 saved. Phase 2 (2010-12) prevented 1.7 million tonnes of waste equivalent to £3.1 billion and 4.8 million tonnes of CO_2 saved.

This demonstrates how a collaborative approach with shared aims can work to reduce waste and save money. The Commitment works by securing collective responsibility for meeting industry-wide targets; backed by supply chain projects to work out how to make improvements; and the development of tools and guidance to help companies make changes which is all supported by WRAP's technical expertise and an annual reporting regime. Involved organisations reduced costs, improved resource efficiency, better positioned themselves for a carbon-constrained-future, met consumer demands and drove innovation. It also avoided the creation of unwanted regulation.

More information is available at:
http://www.wrap.org.uk/category/initiatives/courtauld-commitment

Source: WRAP

Practical example **– Aligning aims to recruit high-quality applicants**

The UK head of HR for a large petrochemical company had received feedback from job applicants during various recruitment drives that the absence of private health insurance was deterring high-quality applicants. Deterioration in the quality of recruits would, over time, have an impact on the ability of the organisation to meet its overall **aims**.

The head of HR initiated a review of options. During this time, the organisation's aims with regard to its recruitment policies were in flux. An opportunity existed to influence the organisation's staff benefits package.

Before the concern had arisen and after the decision had been made, any attempt to influence the organisation's healthcare provision or recruitment policies may have been perceived as conflicting with the company's **aims** and would have had little or no impact. However, in aligning future employees' aims with the company's long term aims at the right time this worked.

The head of HR was able to communicate how offering private health insurance would mean they could recruit better employees and therefore meet their organisational aims (I.e. help them be leading, efficient, and profitable).

Source: REA Case Studies

WHAT: A list of questions to help you understand the situation

› Are you able to state clearly the primary aims and objectives of your target organisation(s)?

› Do they have any secondary aims? Do you know the relative significance of these aims?

› Does your policy option fit easily and positively with one or more of these aims?

› If not, does your policy directly conflict with those aims; or is it merely not a part of those aims?

› Are organisational goals currently changing; and, if so, is this positive or negative for your policy?

HOW: Suggested actions

Low level of information on Aims

> Gather evidence on main aims/goals for your target organisation(s) through (e.g. through company annual reports). Assess whether aims optimistic, opportunistic or malleable.

> Assess your policy against known aims/goals to assess the 'degree of fit'.

> Frame your policy so as to effectively align with known organisational aims/goals. When designing communications intended to influence organisational behaviour reference how your policy may positively reinforce/affect the organisation's aims.

High level of information on Aims

> Test different ways of framing the policy on the organisations you are seeking to influence e.g. through deliberative workshops or a randomised control trial.

> Modify how your policy is pitched so as to fit more effectively with known organisational goals.

> Cross-reference 'Estimation' – even if your policy appears to fit well with organisations' goals, it may not fit well in terms of decision-making (e.g. rational cost savings may not have sufficient traction with respect to an organisation's overall aims).

> Show how your policy (suitably adapted) may help organisations' achieve new goals.

> Identify/capitalise on opportunities (moments of change) where your policy may be particularly relevant to organisational goals e.g. moving to a new location, taking on new employees, expanding and delegating to others, etc.

Detailed description

An organisation has a specific goal, or set of goals (such as maximising profit, delivering shareholder value, pursuing a charitable cause that benefits the community, delivering a quality service, etc.). Often these may vary due to sectoral differences and organisational demographics (e.g. size, type, governance). An organisation and its pursuit of its aims are, by its very nature, optimistic; and, at times, opportunistic.

Factors that might influence the organisation are viewed (by the organisation) through the lens of these aims. New initiatives or interventions - from whatever source - that align well with overall organisational goals will be at an advantage; whereas those that contradict those goals, or which are perceived as only partly relevant to overall organisational goals, will be at a disadvantage. It was worth nothing that organisations have both primary and secondary aims that need to be considered by those seeking to influence its behaviour and decision-making processes.

Relevant sections in the Rapid Evidence Assessment

Chapter 3 – 'Structural Factors' including 'Coordination and Communication'; and 'Conflicts of interest and misaligned incentives'
Chapter 4 – 'Behavioural drivers' including 'Formation of organisations and corporate identity'; 'Corporate Identity'; 'Business ethics and corporate social responsibility'; and 'Ethics and organisational culture'

Applicability across organisations

All organisations have aims or goals; but the precise nature of those goals; and their relative importance (where there are more than one) differs between organisations in different sectors, of different size and at different stages of their development.

Links to related themes in ORGANISER

'External: Gaining advantage'
'Internal: Norms & organisational culture'

Links to other behavioural tools

MINDSPACE: Commitments, Ego
Michie's Behaviour Change Wheel: Motivation
ISM: values, beliefs attitudes and roles & identity

Norms and organisational culture (Internal)

Brief description

- Organisational culture is the system of shared norms, values, rules, expectations, ethics, identity, etc. that exists in an organisation.

- These internal norms influence how managers, employees and staff interact and how they make decisions.

- These factors shape /drive its behaviour and how an organisation's aims are pursued. Often the choice of action is guided by the desire to protect or enhance the internal culture or identity.

- Policy needs to be alert to how specific policy options do or fit within organisational culture, and to adapt accordingly.

Go to Detailed description

Policy example – Influencing organisational norms and culture to raise the profile of energy use and efficiency

Under the Energy Saving Opportunity Scheme, qualifying organisations must carry out an energy audit every four years ingraining it in the **organisational culture**. The audit covers energy used by buildings, equipment and transport to identify cost-effective energy saving measures, and the final assessment must be signed off by two board-level Directors.

The requirement for board-level sign-off of the audits was introduced because research by DECC previously found that energy consumption is often found to be invisible to senior managers and often not part of organisational values or identity. When a roadshow was held to raise awareness of the scheme, participants of the roadshow also identified lack of buy-in at the board level as a key barrier to implementing energy efficiency measures. Many participants said that implementation needs to be driven by the board, making it a strategic priority which can influence **internal culture and norms**.

Requiring sign-off of the audits at board-level was also intended so that the role of Energy Managers could be promoted through the scheme, and become more visible at board level. An evaluation of the scheme is underway to look at how successfully this works.

More information available at:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/415276/ESOS_Summary_Report_20150130.pdf

Source: DECC

Practical example **– A charity's internal culture shapes a strategic decision**

In response to repeated famines in a particular developing country, the executive branch of a charity made a decision to reallocate a large proportion of its resources to the area. This meant closing 8-10 development programmes in other countries. This was a profound strategic decision and the charity was committed to implementing the decision in a manner consistent with its **norms and values**.

Following a robust process of ranking programmes against achievement of indicators based on organisational values and management information, the organisation undertook detailed negotiations with countries ranked in the bottom third. In keeping with their **values and main aims**, discussions were held regarding the nature of funding and resources that were feasible to leave in place and whether there were any local partners to pick up remaining work.

Once this package of options was agreed an exit phase was implemented over a time frame that allowed the organisation to withdraw services from these countries responsibly, to enable the charity's resources to be invested elsewhere in a manner that were more in line with their **culture and values**.

Source: REA Case Studies

WHAT: A list of questions to help you understand the situation

❯ How familiar are you with prevailing norms and values within the organisation(s)?

❯ How do organisational norms and values line up against your intended policy option? Does your policy align / clash with prevailing norms?

❯ Do you know of any recent changes in organisational culture? How were they brought about?

❯ Are you aware of mismatches between explicit and implicit norms; or between 'claimed' values and 'actual' values?

HOW: Suggested actions

Low level of information on Norms and culture

❯ Assemble evidence/examples of behaviours/decisions that illustrate the organisations' values/ norms (e.g. through a staff survey or monitoring social media activity).

❯ Assess extent to which your policy option does/does not fit with prevailing norms.

❯ When there is no alignment between your policy goal and organisational culture, design initiatives and incentives to change cultural behaviour or increase accountability for actions or challenge values/norms that may be set by senior management.

❯ Encourage implementation of such schemes and evaluate the success and failings of different incentives through pilots/trials.

High level of information on Norms and culture

❯ Design/present policy option in a way that better aligns with prevailing norms/values to improve take-up or that attempts to influence these norms/values to encourage up-take of the policy.

❯ Analyse what shift in values/norms may be needed to enable your policy to be (more) successful.

❯ Develop a strategy for bringing about shift in values/norms that speaks to the organisations' culture and feels like the next, logical step.

❯ Consider whether individual accountability affects propensity to adhere to organisational norms and culture, and whether your policy or issue could build on this aspect.

Detailed description

Organisational culture – the system of values and norms that characterise an organisation – is a powerful determinant of behaviour and decision-making processes. Culture is typically embedded at a very early stage of an organisation's existence; is shaped by ongoing leadership; tends to evolve only slowly; and is often very difficult to change.

Norms and values are typically expressed in a mix of explicit/visible/codified forms and implicit/intangible forms. There may be, for example, explicit guidance on how decisions should be made in particular circumstances in an organisation; but, at the same time, there may be informal knowledge as to when "particular circumstances" do or do not apply. (This is similar to the distinction between injunctive ('what one is supposed to do' perceived) and descriptive ('what others actually do' norms – see MINDSPACE.)

There is an ongoing dynamic between organisational culture and an organisation's operating environment. Values associated with Corporate Social Responsibility, for example, may be an existing part of an organisation's culture; or may be in the process of being externally absorbed. An organisation's identity is intertwined with its norms / values; and the era of increasing transparency, in which norms and values are more exposed to public scrutiny, is having impacts on organisational behaviour and decision making. In turn, policy has a dynamic relationship with organisations' norms and culture; and any particular policy initiative needs to consider how it does or does not fit with prevailing norms. When individuals work across different facilities, their behaviour conforms to that of the facility that employs them, suggesting that people tend to conform to the dominant corporate culture (be it one of honesty or dishonesty). In general, the literature on peer effects argues that the mere interaction with co-workers has a sizeable effect on individual behaviour.

Relevant sections in the Rapid Evidence Assessment

Chapter 3 – 'Structural factors' including 'Corporate image and CSR'; and 'Sensitivity to stakeholders and shareholders'
Chapter 4 – 'Behavioural drivers' including 'Formation of organisations and corporate identity'; and 'Business ethics and corporate social responsibility'

Applicability across organisations

Norms and organisational culture are an important driver of behaviour for all organisations.

Links to related themes in ORGANISER

'External: Operating environment'
'External: Gaining advantage and reputation'
'Internal: Aims'
'Internal: Internal Structures'

Links to other behavioural tools

MINDSPACE: Norms
ISM: roles & Identity and norms

Internal structures (Internal)

Brief description

- Organisations have an internal structure that influences their behaviour and decision-making.

- The nature and distribution of leadership – which is key - and of teams and divisions within an organisation are important features.

- Decision-making power is distributed throughout the organisations' structure, and this distribution can be more or less explicit.

- Policy needs to consider how/ where a particular issue might be addressed, and who or what structures has/have power to effect change within that structure.

Policy example – **How changing internal structures can bring about carbon reduction in transport**

Transport is a major source of greenhouse gases in the UK. The Energy Savings Trust (EST) receives funding from the Department for Transport (DfT) to support efforts to reduce carbon emissions by providing energy saving advice. This includes working with fleets in the public and private sectors to provide advice on how to reduce transport costs and carbon emissions.

The **internal structures** of organisations mean that data, decision-making, and responsibility for fleet management can be dispersed, e.g. trucks and vans may come under a transport manager but lease cars and grey fleet (employees driving their own cars for business) may sit within finance or personnel.

EST began working with Birmingham City Council in 2011.There was no capture system or electronic data repository, and poor policies led to over use of grey fleet and a lack of understanding and control of travel spend. EST recommended a change in **internal structure** with senior buy-in to carry out a complete rationalisation of the fleet function and to set-up a centralised data capture system. This was accompanied with the gradual replacement of old high-polluting vehicles with new low-carbon alternatives.

When EST returned to review the fleet in late 2013, progress had been made. The centralised data capture system enabled the Council to accurately measure and track the number of business miles driven in employees' own vehicles, which reduced from 9 million to 4.5 million a year and costs were down from £4.6 to £2.1 million. This also led to the creation of a dedicated Green

Fleet Change Manager meaning that now one individual would have oversight of the whole fleet. By influencing the internal structures of how decisions were made, and providing a central data management system, employee behaviour was changed, costs were reduced, and environmental benefits were achieved.

More information available at:
http://www.energysavingtrust.org.uk/businesses/sites/default/files/EST%20Birmingham%20CC%20case%20study%20September%202014.pdf

Source: DfT

Practical example – How a corporate decision was shaped by internal structures

A decision needed to be taken by the Board of a SME to raise £2million to invest in the development of new products. The decision was informed by a period of analysis and research that started with a phase of financial modelling undertaken by the CEO and the financial controller.

The rest of the management team were then asked for their expert input with regards to market metrics (Marketing Director and Agricultural Business Development Director) and sales opportunity data (Business Development Director). The Chief Technology Officer was also consulted to assess the costs involved in building the new products.

With a plan in place, the CEO and the Financial Controller updated the financial model to reflect this iteration of discussion and review. In parallel, the feedback and input of a corporate finance adviser (an intermediary between the company and the financial institutions that would loan the money) was sought to put a transaction together. The next stage was to translate that number-based plan into a word-based business plan. This was undertaken by the CEO and colleagues working on the technology side.

The business plan was presented to the board alongside the financial model and they agreed to sign off this plan and to raise the proposed funds. The successful sign-off of the business plan can be credited to the strong leadership and demonstration of the 'tone at the top' as well as involving all relevant parties in the decision making process and respecting the internal structures of the distribution of power.

Source: REA Case Studies

WHAT: A list of questions to help you understand the situation

❯ Do you know how decision-making authority is distributed in the organisation(s)?

❯ In terms of your specific policy issue, do you know where within the organisation it is addressed? What is the distribution of power like in that team or with that individual?

❯ How strong is the leadership? What is the attitude of the leadership towards your policy?

❯ Does the 'tone at the top' support or oppose your policy issue? How are you hoping to influence the organisation's internal structures (e.g. leadership, distribution of power, decision making mechanism)?

❯ Is there a particular time of year, or stage of an organisation's development, when your specific policy issue would be more relevant?

HOW: Suggested actions

Low level of information on Internal structures

❯ Gather evidence on leadership / internal structures in your target organisation(s) (e.g. through company annual reports), and identify key features / issues.

❯ Establish extent to which leadership does or does not give a high priority to your issue, and identify where in organisations the issue is managed.

❯ Gather intelligence on the pressures acting on those parts of the organisation most relevant to your issue to understand the policy context.

High level of information on Internal structures

❯ Engage directly with leadership and/or relevant teams to discuss and, if appropriate re-design or re-frame your policy accordingly.

❯ Consider whether and how teams/leaders within organisations could internally promote your policy, and what support, if any, you may be able to provide.

❯ Target your policies at the right level and/or at different levels. Getting buy-in from the CEO may be the most appropriate 'way-in', however, middle and junior managers and operational staff are also key to enabling change. Excluding these staff members from your policy could become barriers to its success.

Detailed description

In the internal structure of an organisation, (decision-making) power is distributed in ways that are not always immediately apparent. At times power is collectively shared by a group, while on other occasions power is concentrated in the hands of one or two individuals that are the key decision makers. These key decision makers may or may not be the 'leaders'.

Organisational behaviour is influenced by leadership, by the organisation's structure and distribution of power across that structure as well as organisational demographics (e.g. size, sector, governance). There may be more or less coherence and/or agreement within/ across this structure. Often organisations are also influenced by timing, which affects their governance and systems both in terms of the lifecycle of an organisation and in relation to business plans, financial year, etc.

From a policy perspective, it is therefore important to understand how decisions about a specific policy issue will be taken – as well by whom, and when. If a policy issue is the responsibility of an individual or team that is in some way peripheral to power, then support may be necessary to raise the profile of the issue within the organisation, or help the relevant team/individual make a case to the appropriate authority.

Relevant sections in the Rapid Evidence Assessment

Chapter 3 – 'Structural Factors' including 'Organisational structure'; 'Internal organisational responsibilities'
Chapter 4 – 'Behavioural Drivers' including Formation of organisations and corporate identity'; 'Leadership'

Applicability across organisations

Internal structures can be highly varied. They tend to be simplest when organisations are small and grow in complexity with increasing size. The overall culture of an organisation can influence both the formal internal structures and the distribution of decision-making power across that structure. Some organisations are strictly hierarchical, for example; others have a flatter structure; and this can shape overall organisational behaviours.

Links to related themes in ORGANISER

'Internal: Norms and organisational culture'
'Decision-making processes: Strategic processes'
'Decision-making processes: Estimation'
'Decision-making processes: Relying on trusted sources'

Links to other behavioural tools

ISM: agency; and roles & Identity

Strategic processes (Decision making processes)

Brief description

- Organisations tend to be more strategic in their decision-making than individuals. They also tend to be slower.

- Organisations (and groups within organisations) mediate individual decision-making.

- This can be positive, by softening extreme positions; or can be negative, creating a 'group-think' situation that reinforces an extreme position.

- Groups (and people acting on behalf of groups) are more competitive and less cooperative than individuals.

- Policy needs to consider what sort of processes are likely to apply to a policy option; and manage risks associated with types of response.

Policy example – **HMRC research highlights importance of strategic processes**

HMRC research into non-compliance among small and medium sized enterprises (SMEs) highlights important differences between the attitudes of individuals and the **strategic processes** of organisations.

In a survey, individuals cited 'Because it is illegal' as the main reason why they would not attempt to evade income tax. Businesses, on the other hand, most frequently stated 'Because of the penalties or consequences' in response to the same question.

Whilst the moral case is most important for individuals, once they begin to work as a group that moral case – which may lend itself to more extreme positions – appears to be mediated into the relative safety of a practical rationale.

Extrinsic motivators tended to be more popular with SMEs, while intrinsic drivers were more popular with individuals. Extrinsic ones being those that are imposed externally on a SME or individual (e.g. sanctions) and intrinsic ones being internal to a SME or individual (e.g. satisfying conscience).

More information available at:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3877_19/Report345_2.pdf

Source HMRC

Practical example – McKinsey highlights strategic bias

A survey by McKinsey explored **strategic processes** and assessed the frequency and intensity of the most common biases by managers in companies. McKinsey asked executives about a recent strategic decision at their organisations where bias may have influenced the outcome.

The results showed that satisfactory outcomes are associated with less bias, thanks to robust debate, an objective assessment of facts, and a realistic assessment of corporate capabilities. These factors could also be associated with reducing 'groupthink'.

Even when a decision had a satisfactory outcome, however, executives noted several areas where their companies are not all that effective. Also notable is that companies that typically make good decisions focus more on their own ability to execute than other companies do, regardless of the outcome of the particular decision described in the survey.

More information available at:
http://www.mckinsey.com/insights/strategy/flaws_in_strategic_decision_making_mckinsey_global_survey_results

Source McKinsey

WHAT: A list of questions to help you understand the situation

› Do you have evidence about the strategic processes in the organisation(s) you are concerned with?

› Are there examples of poor strategic decision making that are relevant to your policy issue?

› Do you have any evidence of systematic or occasional biases in strategic decision making that might be relevant?

› Is there any evidence of 'groupthink' (i.e. self-deception, conformity to group values and culture, and high group cohesion) in the organisation? If so, how can you influence it or use it to inform your policy initiative?

› Is your policy issue likely to be an easy/straightforward decision for organisations, or a complex/strategic one?

HOW: Suggested actions

Low level of information on Strategic processes

› Gather evidence on decision-making by the organisation(s) see whether there are underlying patterns in how decisions are made?

› Look for instances of positive and negative decision-making that are relevant to your policy issue, and explore factors that may have influenced these outcomes.

› Consider whether it is possible to influence any factors of negative or bias strategic decision making

High level of information on Strategic processes

› Consider modelling possible decision-making processes – through workshops, for example – to explore positive and negative scenarios for how the policy issue will be considered

› Work directly with organisations, potentially through scenario-planning exercises, to build mutual understanding of strategic decision making processes

› Assess whether your policy could take capitalise on any effects of groupthink effects in a positive way

› Explore ways you can reduce risks of the policy inadvertently becoming a victim of mis-directed strategic decision making.

Detailed description

Usually an organisation is more strategic in its decision making than an individual. This is because an organisation tends to think more carefully and slowly than an individual and, at times, even more rationally.

The group mediates individual decision-making – that is to say, it tends to moderate the extremes of views across a group of individuals and to generate a central, consensual view.

In a positive sense, the evidence suggests this process means groups make smarter, more rational decisions than individuals, since 'stupid' ideas are eliminated. However, and in a negative sense, 'groupthink' (in which the desire for harmony/conformity results in extreme and often highly irrational views and decisions) may also occur.

Policy needs to be alert to these processes in two respects. Firstly, policy could be designed and presented in a way that will make it easier for organisations to respond rationally. Secondly, policy should consider the risks of evoking a negative 'groupthink' response and mitigate those risks appropriately or consider how to take advantage of 'groupthink' in a positive way.

Relevant sections in the Rapid Evidence Assessment

Chapter 4 'Behavioural drivers' including 'Discontinuity, group rivalry, competition and cooperation'; 'Information sharing'; 'Self-interest'; 'Risks'; and 'Formation of organisation and group identity'

Applicability across organisations

All organisations and groups, irrespective of size or sector, are subject to the differences between individual and groups decision-making highlighted by 'Strategic processes'

Links to related themes in ORGANISER

'Internal: Internal structures'
'Decision-making processes: Estimation'
'Decision-making processes: Relying on trusted sources'

Links to other behavioural tools

MINDSPACE: Messenger
Michie's Behaviour Change Wheel: Persuasion
ISM: institutions, and times and schedules

Estimation
(Decision making processes)

Brief description

- Organisations are, just like individual people, constrained by time and resources.

- As a result, they often use estimation techniques and rules of thumb to make decisions.

- Rather than 'maximise', therefore, in practice they 'optimise' or 'satisfice' (i.e. settle for what is good enough).

- Policies based on an assumption that organisations are rational, maximising, decision-makers may therefore need to adapt

- Given the above, there is scope for behavioural science and insight to inform policy making with organisations as well as individuals.

Go to Detailed description

Policy example **– Small businesses use heuristics informs HMRC policy**

In 2015, HMRC did qualitative research with small businesses to understand their views on choice in the tax system. A total of 50 in depth interviews were undertaken with a cross-section of small businesses, recruited through informal channels.

A number of businesses in the sample were unaware of existing measures and did not believe they had engaged in decisions relating to tax choices. These businesses tended to lack confidence in managing their tax affairs, lacked experience of running a small business and relied heavily on **estimation** techniques.

HMRC found that small businesses value a flexibility of options, however the general preference, given their use of **estimation** techniques, was for a limited number of choices. This helped to streamline and simplify the decision-making process and prevent businesses becoming overwhelmed. Time is a very important commodity to businesses, especially start-ups. For this reason, there was an overall preference for HMRC to provide a 'nudge' in the right direction – striking a balance between ease and certainty. The research has been used to inform HMRC's work with small businesses on tax choices.

Source: Small Business and Choice/HMRC

Practical example – An organisation selects a sufficient rather than 'best' solution

A small data analytics company identified a need to produce an HR manual, but only had a short timeframe available to produce it. Key decisions surrounded both its format and its content.

The drafting of the manual was undertaken by the office manager and financial controller. Rather than develop the manual from scratch, they used **estimation** techniques to identify and then use two existing employment manuals acquired from two third party providers. These were in line with current HR practices and company law.

Appropriate elements were taken from both the existing manuals and adapted for this particular company's business activities. The CEO then reviewed and approved it, and the manual was implemented.

The entire process was undertaken within a fortnight. It was considered that this type of exercise would typically be undertaken in this way (i.e. rapidly and based on estimation techniques) in the case of an SME.

Source: REA Case Studies

WHAT: A list of questions to help you understand the situation

> Are there particular constraints that affect the organisation(s) you are considering?

> Could these constraints encourage or oblige organisations to aim for 'satisficing' (i.e. aim for good enough) rather than 'optimising'? Is this a risk to policy?

> Is there information about 'typical' estimation techniques used by the relevant organisation(s)?

> Would your policy option make sense to a 'satisficing' decision-maker, or only to a fully rational 'maximising' decision-maker? Could the policy be adjusted to appeal to that decision maker?

HOW: Suggested actions

Low level of information on Estimation

> Gather insight on major constraints affecting your target organisation(s) (e.g. resource, information, skills, etc.)

> Assess relevance of these constraints and estimation techniques to your policy area/option.

> Gather evidence on prevalence and pattern of estimation techniques used by the organisation(s) in question. Be mindful that what organisations think or say they do and what they actually do may be different. If possible, consider ways to actually observe behaviour in research techniques.

High level of information on Estimation

> Consider whether/how your policy option could be amended to better take account of 'best guess' decision-making. Is your policy based upon assumptions of rational behaviour and decision making? Is there a risk that this does not align with actual behaviour?

> Assess what specific type of shortcuts are at play (e.g. intuition and hunch, availability, representativeness, anchoring) and ensure your policy or communication initiative takes into account and is informed by these specific types of shortcuts.

> Explore whether there is any opportunity to change the constraints the decision-maker is under, e.g. improving information, to the benefit of your policy option.

Detailed description

Decision-makers within organisations do not make perfectly rational decisions, since they are constrained (or 'bounded') by a variety of factors. These factors include organisational and individual capacity, skills, aptitude and attention. Time is also important, both in terms of the amount available to make a decision, but also in terms of timing in the business cycle.

To cope with these constraints, organisations use a range of estimation techniques – short cuts and rules of thumb known by the term 'heuristics'. These decision-making techniques are 'risk alert' (that is, any prospective change is considered in terms of the risks it poses to achieving primary goals), respond to incentives (and similar signals) and tend towards outcomes that are 'satisficing' (i.e. which are 'good enough').

Other short cuts include 'intuition and hunch', availability (the extent to which the organisation can easily bring something to mind e.g. whether other organisations have gone through similar events or not), representativeness (the extent to which the organisation in question deems itself to be typical enough of the type of organisation that goes through said events) and anchoring (the starting point from which an organisation makes its decision). This wide variety of behaviours suggests policy needs to be especially alert to these estimation techniques. Organisations may make very different decisions compared to the rational, maximising model that is sometimes assumed.

Relevant sections in the Rapid Evidence Assessment

Chapter 4 - 'Behavioural drivers' including 'Cognitive Drivers'; 'Bounded rationality and satisficing'; 'Use of Heuristic Biases'; 'Self-interest'; and 'Risk'

Applicability across organisations

All organisations, and all decision-makers within organisations, are subject to constraints and thus rely, to a greater or lesser extent, on heuristics and estimation. The prevalence and type of estimation technique may vary between organisations in different sectors, of different sizes and at different stages in their lifecycle (e.g. start-ups with few systems may rely more on hunches than larger organisations).

There is also evidence to suggest that estimation techniques are least prevalent with strategic decision-making, and most prevalent with ad hoc decision making.

Links to related themes in ORGANISER

'Internal: Aims'
'Decision-making processes – Strategic processes'
'Decision-making processes: Relying on trusted sources'

Links to other behavioural tools

MINDSPACE: Defaults, Priming
Michie's Behaviour Change Wheel: Restrictions

Relying on trusted sources (Decision making processes)

Brief description

- Organisations are continually taking in and processing conflicting information from a wide range of sources.

- A common feature of how organisations use this information is the level of confidence in the 'messenger'.

- Information from 'trusted sources' is most likely to be relied upon when making decisions and most likely to influence behaviour.

- Level of trust in the source seems to be more important for organisations than individuals.

- Tapping into these 'trusted sources' could prove a useful channel of influence for policy advisers and analysts.

Go to Detailed description

Policy example – Using a trusted source to reduce antibiotic prescriptions

In winter 2014/2015, the Department of Health, Public Health England, and the Behavioural Insights Team aimed to reduce antibiotic prescriptions in general practices (GPs), as measured by the number of doses of antibiotics prescribed per 1,000 registered patients. They wrote to half of the 1,584 practices that had antibiotic prescribing rates in the top 20% for their local area. Each of the doctors in these practices received a personalised letter from a credible and trusted source - England's Chief Medical Officer. The letter stated that 80% of practices in their local area prescribed fewer antibiotics per head (see also gaining advantage and reputation), and by way of persuasion recommended simple actions to reduce unnecessary prescriptions.

A randomised control trial was conducted to determine the effect of the intervention. It delivered a 3.3% reduction in antibiotic prescribing rates resulting in over 70,000 fewer antibiotic items dispensed. The letter cost less than £5,000 and saved more than £90,000 in prescription costs alone. Given this success, the same letter was later sent to the practices that had not received one (control area) and their prescribing rates then converged with those of the initial trial group. This demonstrates the use of relying on trusted sources in the 'operate, evaluate and adapt' step of the policy delivery cycle.

More information is available at:
http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(16)00215-4/abstract

Source: PHE

Practical example – **Tax relief agents act as trusted soruce**

In 2015, qualitative research was done to explore the behaviour of claimants of Entrepreneurs' Relief (ER) and Business Asset Rollover relief (BARR), both available to reduce Capital Gains Tax (CGT). Interviews were conducted with a range of claimants, some of whom had use agents and some who had not, as well as a range of agents who had advised on CGT reliefs.

The aim was to gain a more detailed understanding about the impact that CGT reliefs have on organisational behaviour. It also sought to assess how aware individuals are of the two reliefs, and to what extent, if at all, third-party advice informs their decision making. Generally claimants tended to be very reliant on third party advice. Some would not have been aware of the reliefs had their agent not recommended them. Even more knowledgeable claimants still used agents to confirm they qualified.

Discussions with agents indicated that their clients were more proactive in seeking advice. In contrast, clients of smaller firms tended to be more reliant on proactive advice from their agents. The research will inform policy work in this area.

More information is available at:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/444995/Research_report_367_Capital_Gains_Tax_Relief__Research_on_Entrepreneurs__Relief_and_Business_Asset_Rollover_Relief.pdf

Source: REA Case Studies

WHAT: A list of questions to help you understand the situation

> Do you have a sense of what/who the 'trusted sources' are for the organisation(s) you seek to influence?

> Do you have access to these 'trusted sources'?

> How would you describe your relationship with the organisation(s) you seek to influence? Are you a trusted source or advisor?

> Is your relationship built on mutual and reciprocal trust? If not, what is your relationship like with the organisation's trusted sources?

> Could you gain trust or influence via working with these trusted sources/advisors as intermediaries?

> Are your desired outcomes in line with the role/aims of the potential intermediaries? Do they have the power/interest to be engaged?

> Would influencing via these intermediaries jeopardise their role as trusted sources? How could you mitigate this risk?

HOW: Suggested actions

Low level of information on trusted sources

> Design a map of trusted sources/advisors the organisation(s) relies on – prioritisation of these sources could be done through stakeholder analysis.

> Identify the key influential nodes and any connections you/your Department/agency have/has.

> Work out the most appropriate engagement option with these nodes.

> Build a trusting and reciprocal relationship with these influential nodes.

High level of information on trusted sources

> Ensure the identified trusted sources/advisors buy-into your desired outcome and are happy to be intermediaries – this can be achieved by promoting / selling the benefits of your cause or by incentivising them to act in accordance with the policy objective.

> Where appropriate, use techniques of co-design and co-produce to inform the policy initiative or related communication material directly with the trusted sources to improve credibility. Be aware of any risks related to involving parties in the design of a policy which you may be trying to influence.

> Implement the policy option with the help of the empowered and persuaded, trusted sources/advisors as delivery partners.

Detailed description

This theme illustrates one of the ways organisations seek support to make decisions; via 'trusted sources'. These could be external advisors to the organisation, external peers, or internal colleagues. External agents that are trusted have more influence, be they advisors or peers. This means the level of trust both between and within organisations is important. The level of trust between the decision-maker and the source providing information seems even more important for organisations than for individuals. This is especially relevant in communications.

In addition to the level of trust in the source, more weight is given to advisors more similar to the organisations' own decision-makers. Trust and reciprocity are intertwined. The level of confidence in advisors is a key factor in uptake of advice; and the fact that the advisor/source also trusts the decision- maker is important when looking to exert influence. It is not all about the level of trust in the source/advisor but the 'message/content' needs to be right, especially in communications.

Overall there may be an opportunity for a trusted external 'nudge' to have positive influence on organisations' behaviour and decision making.

Relevant sections in the Rapid Evidence Assessment

Chapter 4 – 'Behavioural drivers' including 'Use of heuristic biases'; 'Messenger'; 'Discontinuity, group rivalry, competition and co-operation'; 'Uptake of advice'; 'Influence of advisors'; 'Peer Influence'

Applicability across organisations

There is no suggestion that the applicability of 'trusted sources' is more relevant for certain types of organisations (i.e. based on type, size, governance structure, etc.).

Links to related themes in ORGANISER

'Decision-making processes: Strategic processes'
'Decision-making processes: Estimation'
'External: Relationships'
'Internal: Internal structures'

Links to other behavioural tools

MINDSPACE: Messenger
Michie's Behaviour Change Wheel: Persuasion
ISM: opinion leader and institutions

4: Annex 1 – Approach to developing ORGANISER

The overall purpose of the second part of the 'Behavioural Insights for Organisations' project was to devise a suite of materials that would enable the results from the REA to be put to best use.

This purpose was in part inspired by developments across government in the use of insights about individual behaviour. These developments, over the past decade or more, have included, firstly, the development and maintenance of a body of research-based knowledge[1]; and, secondly, the development of a suite of tools, acronyms and guidance to enable a range of users within government to apply that developing body of knowledge.[2]

'Users' in this context thus refers to a broad range of teams and individuals, across a wide and increasing array of departments and agencies; across a wide range of policy issues; and with engagement in all elements of the policy cycle, including research, design, implementation, communication, monitoring, evaluation and review.
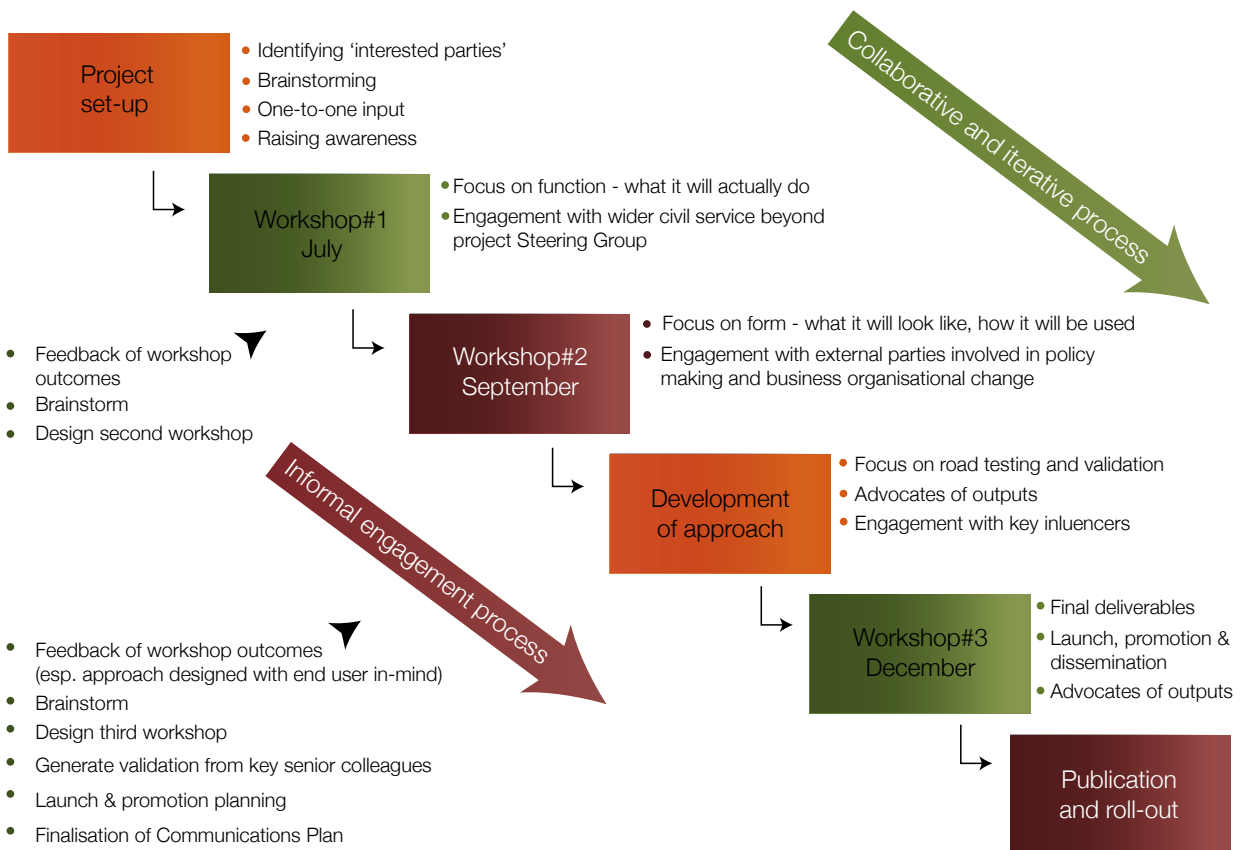
Against this background, the methodology adopted for 'Behavioural Insights for Organisations' was open, collaborative and iterative. **Open**, in the sense that there were few preconceived ideas for what the eventual outputs would look like, the intention being that outputs co-designed with prospective users would be more likely actually to be used; **collaborative**, in the sense that the consultants, the Steering Group and a large number of other participants were involved in the process; and **iterative** in the sense that sequential steps in the process progressively identified the most successful or appealing possibilities and eliminated the unsuccessful.

The diagram on the next page summarises the various steps in the project.

1 2 _____

For example: Thaler, Richard H.; Sunstein, Cass R. (2008). Nudge: Improving Decisions about Health, Wealth, and Happiness. Yale University Press; Darnton, A. (2008). GSR Behaviour Change Knowledge Review – Practical Guide: An overview of behaviour change models and their uses; Chatterton, T. for DECC (2011). An Introduction to Thinking About 'Energy Behaviour': a multi-model approach; and Defra, 2010. Understanding and influencing behaviours: a review of social research, economics and policy making in Defra.

Behaviour Change Wheel (BCW) and COM-B: http://www.behaviourchangewheel.com/about-wheel;
EAST: http://www.behaviouralinsights.co.uk/publications/east-four-simple-ways-to-apply-behavioural-insights/;
MINDSPACE: http://www.instituteforgovernment.org.uk/our-work/better-policy-making/mindspace-behavioural-eeconomics
and ISM: http://www.gov.scot/Resource/0042/00423436.pdf.

Project set-up
- Identifying 'interested parties'
- Brainstorming
- One-to-one input
- Raising awareness

Workshop#1 July
- Focus on function - what it will actually do
- Engagement with wider civil service beyond project Steering Group

Workshop#2 September
- Focus on form - what it will look like, how it will be used
- Engagement with external parties involved in policy making and business organisational change

- Feedback of workshop outcomes
- Brainstorm
- Design second workshop

Development of approach
- Focus on road testing and validation
- Advocates of outputs
- Engagement with key inluencers

Collaborative and iterative process

Informal engagement process

- Feedback of workshop outcomes (esp. approach designed with end user in-mind)
- Brainstorm
- Design third workshop
- Generate validation from key senior colleagues
- Launch & promotion planning
- Finalisation of Communications Plan

Workshop#3 December
- Final deliverables
- Launch, promotion & dissemination
- Advocates of outputs

Publication and roll-out

At its heart, the method was centred on a set of three workshops:

- The first workshop explored existing and prevailing policy processes, in particular the way in which individual behavioural insights are currently being used, to develop a clear sense of what prospective users would like to be able to do with the new organisational behavioural insights – in short, the function of the material

- The second workshop focused on the form the material should take – how broad it should be, how it might be organised, how it should be presented and so forth, so as to maximise its ease of use on a day-to-day basis

- The third and final workshop discussed and critically appraised a suite of draft materials, designed in light of outcomes from the first and second workshops

In addition to the workshops, informal discussions were held throughout the work programme with an evolving range of interested parties, including individuals interested in the workshops but unable to attend; individuals keen to see the outputs but unable to contribute to the design; and individuals that had had experience of the development of knowledge and materials associated with individual behavioural insights and whose expertise and guidance might be useful.

Those involved - both in the workshops and in the informal engagement process - were identified in the same open, collaborative and iterative fashion that characterised the process as a whole.

Considerable effort was expended to ensure that, as far as possible, participants covered all stages of the policy cycle and came from a broad range of government departments and agencies

In total, close to 200 individuals and more than 20 departments and agencies were involved, representing policy, analytical, operational, and communications professions inside and outside government.

The full suite of materials used during the process – comprising workshop agendas, lists of attendees, three presentation slide decks and the materials that were explored by attendees at each workshop – were openly shared as part of the co-design ethos of this project.

Following the final workshop, Brook Lyndhurst worked closely with the project's Steering Group (which had also been involved at key points throughout the process) to produce the final materials included in this report.

Looking Forward

Having been inspired, in part at least, by the success of applying insights into individual behaviour across a wide range of policy settings, the development of ORGANISER has had an eye to its future since its inception. The ambition from the onset was to create an equivalent mnemonic and underpinning approach as those that exist for individual behaviour but for organisational behaviour. In order to develop a salient, fit-for-purpose, useful and usable approach the need for an open, co-produced, collaborative and iterative process was critical.

This means recognising that the evidence set out in the REA and the materials presented in this report can only be the beginning of a process.

The evidence in the REA strongly suggests that formally and thoroughly taking account of organisational behaviour has the potential to contribute significantly and positively to policy processes. Just as incorporating insights into individual behaviours has enabled the development of policies that are both more effective and more cost effective than alternatives, the evidence and argument presented both in this report and the full REA report suggest that the same could be the case for insights into organisational behaviours.

Only by testing and exploring the application of the insights included here can this be properly demonstrated. This would mean drawing on the collated evidence from the research and academic community and designing pilots which test the use of the ORGANISER approach with 'live' policy options and issues. Lessons, both positive and negative, will need to be learned and shared. Experiments will need to take place in different settings, for different policy areas and by different departments and agencies. Mechanisms to conduct and evaluate these experiments and to share the lessons learned will need to be put in place. Furthermore, the rapid evidence assessment also identified various evidence gaps for further research which need to be addressed.

It is beyond the scope of the present exercise to fully identify the ideal path forward. However, by structuring the material in the way we have, and having included so many individuals, agencies and departments in its development, it is hoped that a flexible and adaptable resource is now in place to

support a range of possible forward paths and, over time, to provide a basis from which to build an ever-more robust and persuasive case for using organisational behavioural insight in policy.It is beyond the scope of the present exercise to fully identify the ideal path forward. However, by structuring the material in the way we have, and having included so many individuals, agencies and departments in its development, it is hoped that a flexible and adaptable resource is now in place to support a range of possible forward paths and, over time, to provide a basis from which to build an ever-more robust and persuasive case for using organisational behavioural insight in policy.

5: Annex 2 - Acknowledgements