

## *Dear Social Service Practitioners,*

It is clear that people's emotions and thoughts can affect how they make decisions about how to allocate their resources. Behavioural economics is the study of how psychology broadens the scope of traditional economic theory.

Psychologists have put forward the idea that the brain has two operating systems, namely the reflective and automatic system. The reflective system is the mind that offers a more systematic and deliberate analysis while the automatic system is the rapid, instinctive mind that does not usually involve "thinking" (Sunstein & Thaler, 2008). We use the reflective system when we perform activities such as learning a new language or planning an unfamiliar journey while we use the automatic system when we perform activities such as speaking in our mother tongue or taking our daily commute.

The former is assumed in the traditional economic theory where human beings are considered rational decision makers who make use of all available information and make the best decisions in order to get the greatest benefit. However, with insights from the field of psychology into the automatic operating system of the brain, economists are challenged to reconsider their traditional assumptions and thereby, the way policies are designed and implemented.



### **Cognitive Biases**

The Institute for Government and the Cabinet Office (UK) (Dolan, Hallsworth, Halpern, King, & Vlaev, 2009) spells out 9 influences on human behaviour that operate largely on the automatic system, namely:

- a) **Messenger:** We are heavily influenced by who communicates information to us.
- b) **Incentives:** Our responses to incentives are shaped by predictable mental shortcuts.
- c) **Norms:** We are strongly influenced by what others do.
- d) **Defaults:** We "go with the flow" of pre-set options.
- e) **Salience:** Our attention is drawn to what is novel and seems relevant to us.
- f) **Priming:** Our acts are often influenced by sub-conscious cues.
- g) **Affect:** Our emotional associations can powerfully shape our actions.
- h) **Commitments:** We seek to be consistent with our public promises, and reciprocate acts.
- i) **Ego:** We act in ways that make us feel better about ourselves.

Understanding these cognitive biases can help us to better frame policies and the designs of our interventions to achieve better outcomes more efficiently.

### **Behavioural Economics and Social Work**

So what has behavioural economics got to do with social work? Increasingly, behavioural insights from the study of behavioural economics is used to try to solve social problems especially in the way social policies are being designed or framed. What I have found out is that much of the thinking in behavioural economics reflects the principles of social work ranging from relationship building, contracting about changes in behaviour, ownership of issues, calibrating the balance of responsibility, strengths based interventions to using interpersonal reciprocity to bring about change.

Behavioural economics has shown that it is not helpful for people to be defined by what they cannot do as opposed to what they can. This is rather similar to the strengths based approach in many social work interventions when we look for strengths in individuals, families and communities as we work with them to increase their wellbeing. Social work also fosters mutual support and enables these groups to be change agents. There are many examples of support groups where people with similar chronic health conditions come together and achieve behavioural outcomes that no professional is able to achieve.

### Intervention design from joined up perspectives



With their similarity, there are areas such as addressing anti-social behaviour where both behavioural economics and social work's joined up perspectives can design strong interventions. For example, sending a family member to prison could make matters much worse so more countries now use community based sentencing and interventions to achieve the same, if not better outcomes for some misconduct. Alternatives to the hard lined approach however must be accompanied by services and support. For example, to make smoking or gambling-cessation and abuse prevention or protection interventions more effective, we need to involve family, friends, and even friends of friends. To reduce poverty, we should focus not merely on monetary transfers and job training, we should also help the poor form new relationships with other members of society.

As we face an increasingly complex, inter-connected world with greater uncertainties, the problems of inequality, exclusion and integration will be harder to address. Drawing upon lessons from various disciplines, we need to focus beyond economic growth and continue to advocate for more inclusive social policies.



### 1. Designing job search (Office of Planning, Research and Evaluation, 2014)

So what can social work draw from behavioural economics to help job applicants in job search? Programme administrators and clients have shared that there are three psychological barriers that are worth paying attention to.

Firstly, clients share that schemes, which are meant to help them, often come across as uncaring and even punitive. Behavioural insights have shown us that our emotional associations can powerfully shape our actions. Messages that come off as uncaring puts the start of the job search on a poor footing as the clients enter the search with negative beliefs and feelings about the agencies and these shape their interactions with them. As a whole, telling clients that they must meet the rules or they will face termination from a scheme is different from telling them that it is important to meet the requirements so that they can work towards their goal of finding full time employment. The former message is more likely to engender negative feelings among clients about their job search.

Secondly, clients share that they could end up seeing job search as a passive activity and not expect a successful outcome. The process of job search is in fact an active, purposeful process that involves developing application materials, seeking out job opportunities, and submitting applications. Clients must understand this throughout the process. The idea of saliency in behavioural economics tells us that our attention is often drawn to what is novel to us and thereby influencing our behaviour. If clients see job search as an extension of previous experiences that did not work for them, they may expect to fail again.

Thirdly, clients share that they are often overwhelmed and do not have the mental energy to fully take in all the information presented during an orientation. All human beings have a limited capacity to process, understand and recall information, especially if it is conveyed in complex ways. Even if clients understand the information as presented, they may not remember it all or they may not recall it when they need it.

### *Implications for Designing Intervention*

So what can we do to help make the job search experience a more positive one for clients? One way to do this is to promote a successful identity in the client. Every person carries around a number of overlapping and conflicting identities or roles, such as worker, parent, daughter, hobbyist, and so on. The way people feel and act depends on which identity is active, and any given situation has a strong influence on which identity emerges. Programme staff can encourage desired behavioural outcomes by drawing on the positive identity in a client - for example, by emphasizing an individual's strengths or successes. This helps to prevent the undesirable emotions and mind sets that arise with associations to weak identities which can negatively influence the process of job search.

Research shows that asking clients to think and talk about a time when they succeeded can activate an identity that inspires and motivates them to take action towards their goals. It is useful to do this just before an important action is supposed to occur - for example, before the client fills out a job application or goes for an interview. Likewise, it is good to design written materials and forms to make them more positive and avoid activating client identities that are related to dependency or inadequacy.

Another point where the job search experience can be improved is to help clients to navigate with some ease a roadmap to upcoming events, specify the next steps in clear and achievable goals and use reminders. The more the message or signal is specific and salient to us as individuals, the more powerful it is likely to be. This helps to direct the clients' attention to information and action steps that are most important and are relatively easy to incorporate into their day to day life. These may appear to be small steps but they make a lot of difference in the motivation of clients.



## **2. Designing hotlines** (Office of Planning, Research and Evaluation, 2014)

Another area that can benefit from behavioural economics for re-design of systems is the operation of hotlines. Many callers hang up while on hold, and once lost, they may never call back and receive the assistance they seek. This happens when the caller's experience of waiting heightens anxiety and uncertainty about how long he or she has to wait to get through to someone.

The anxiety is more intense when someone calls a hotline for social problems as it is likely to be stressful and emotionally painful because of the reason for the call. Waiting on the line in silence may trigger fearful thoughts and stress while waiting. This is certainly true of hotlines for protection and the SOS hotline.

When there is no explanation about why they are waiting, the waiting can seem longer than when waiting with an explanation for the delay. The unexplained nature of the wait increases the stress of waiting, making callers more likely to hang up. The emotional associations with anxiety may influence judgments and cause them to behave in a way that is contrary to self-interest. In addition, when thinking about other experiences, callers are more likely to remember calls when they waited on hold for a long time rather than calls when the hold time was short and reasonable. This is because highly emotional memories are generally more salient than unemotional memories.

### *Implications for Designing Intervention*

So what can we do to prevent negative emotional associations when calling the hotline? Some have tried the following. To be more responsive, a hotline will now provide an outgoing message that lets the caller know how many minutes when someone will answer that call and also when the caller can be connected with a person who can help the caller with the specific need or connect the caller to resources. To avoid a caller hanging up, it is advisable that the outgoing message be made early in the call. While callers may understand that they are waiting because other callers are ahead of them, it helps to make this more explicit.

The experience of waiting becomes tolerable, and the stress of waiting is decreased when waiting times are explained in a way that is seen as fair and justifiable. In addition, the explanation of the wait time provides an opportunity to reinforce that callers are not alone. After all, the existence of a queue means that other people are facing similar problems which means that it is worthwhile to stay on the line. The experiences of callers of hotlines are not unique to hotlines and these similar improvements should also be considered if we want clients to call for help more readily when they have difficulties.

### **Challenge for re-design**



Now that behavioural science has shown another explanation of what drives human behaviour besides the common assumptions, re-designing is possible by paying attention to situations that trigger certain behaviours. Research in social psychology has now shown that practitioners, their actions and words can influence a given situation or the overall environment in small but influential ways. This can have meaningful effects on the behaviour of clients and participants of programmes. In other words, small changes can generate large results. So, re-designing parts in the process of helping especially at the points that can influence and motivate clients, will go some way to draw out more helpful behaviours in clients.

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