Episode 22: How Regulators Can Use Behavioral Science

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Line Dempsey: Welcome to our podcast, Regulation Matters: a CLEAR conversation. I'm your host, Line Dempsey. For those that do not know me, I'm currently the Chief Compliance Officer with Riccobene Associates Family Dentistry here in North Carolina. I'm on the CLEAR board of directors, and we just finished up a great conference in Minneapolis and we're glad to have you listening with us today. For those that may not know, the Council on Licensure, Enforcement, and Regulation, or CLEAR, is an association of individuals, agencies and organizations that comprise the international community of professional and occupational regulation. Our podcast is a chance for you to hear the latest and the greatest in our community. Today, I'm joined by Cynthia Abel, deputy registrar and director, registration department, with the College of Early Childhood Educators in Ontario. That is a mouthful [laughter]. Welcome, we're glad to have you.

Cynthia Abel: [laughter] Thanks, Line. It's so great to be here today.

Line: Well, and again I appreciate you joining me. Today's topic is how regulators can use behavioral science. So I guess I wanna know what you mean by behavioral science, 'cause my first thought is like Clarice Starling in *Silence of the Lambs*. So what is behavioral science as it applies to approaches to program design?

Cynthia: I love that analogy! I have to say I've heard it called many things, but I have not heard it compared to *Silence of the Lambs*. So thank you for that.

Sometimes behavioral science is, when I'm using that term I'm referring to what other people might call behavioral insights or behavioral economics, sometimes it's called nudging. And really what that concept is, so not unlike *Silence of the Lambs*, it's harnessing what we know about people and what we know influences how they behave and how they make decisions, and it's harnessing that so that we can design products and services and processes that are better aligned to the way we want people to behave and make decisions. And it's based on a number of psychological factors in the way that we think. But to distill it down into three simple things that you focus in on when you're thinking about behavioral sciences is that humans have a lot on their plate, and so, they do tend to forget things. And it's not, it's not because they're stupid or they want to forget things; it's just that we have a lot going on in our lives. We tend to be really frustrated by the hassle factor. And then most importantly, I think anyway, is that we're highly influenced by our social context. So we're influenced by the people around us, we're influenced by our environments, we're influenced by our emotions as well. And so when we're designing a product or a process or a service, we need to think about all of those things and really think how we overcome them and mitigate them.

We wanna also think about drawing on the evidence that's available to us. If you're using a true behavioral sciences approach, you would also be wanting to test and choose the best intervention based on the evidence in the testing.

Line: Excellent, and I wouldn't think this would be the case, but it wouldn't be considered a fad, would it?

Cynthia: Well, some people say that. But believe it or not, whether we recognize it or not, a lot of these concepts have been used by marketers for years - if you think about seeing an ad on TV or hearing one on the radio and a jingle sticking in your head. That's really leveraging what we know about the way people behave, and marketers figured this out decades ago. Where we've seen it more popularized was really 2008 when Cass Sunstein and Richard Thaler wrote a best-selling book called *Nudge*. And as a result of that book, Thaler actually went on to win a Nobel Prize for his contributions to the field of economics as a result of the findings that they presented in that book. So we saw, really, nudging take off in 2008 and that's where lots of people were saying, 'It's a fad; it's gonna go away.' But what I would say is, here we are 11 years later, 2019, and it's reported that there's more than 200 public organizations using behavioral sciences to inform their programs. And within that, there's actually several governments across the world that have established either nudge units or have just set out policies that say people need to take human behavior into consideration when designing things.

We've seen the Organization for Economic Cooperation and Development, the OECD, which is a multi-nation member-based organization that sets out global policy; they've actually endorsed this and released a framework that's designed to promote the ethical use of behavioral economics and behavioral sciences.

And we're seeing it used increasingly across the education sectors, across the justice sector and health sectors, in addition to financial sectors, which really speaks to the enduring qualities of behavioral economics and behavioral sciences, and why, I think, we're gonna be seeing this for a long time.

Line: Well, that's interesting. So I guess let me ask this. You kind of touched on this, but can you give me a little bit more of a concrete example of it branching away maybe even from the financial world? How are you guys utilizing it, or some other examples?

Cynthia: Absolutely, absolutely. One of the most famous examples that they actually talk about in the *Nudge* book that people often equate is from the financial sector - so I'll start with that and then I'll provide you with a few other examples that we're seeing - is this concept of being able to auto-enroll somebody or to require them to opt out of something. And we saw this used in the UK with pension plans. And so for employers, many had established them as employees had to opt in to the pension plan. And so what that meant if you were an employee on your first day of work, you got a whole bunch of information, you got a whole package about how you could enroll in the pension plan. And again, because we've got a lot going on and we forget, we are influenced by the hassle factor, we saw that many people actually chose not to. And that has obviously a lot of impacts for their financial future. In changing to an opt-out, so the conversation then becomes on the first day of work: 'Welcome to the company. Here's your package about your new pension plan. If you decide that you want to change or you don't wanna participate in this, you need to go and speak to someone in HR, and here's the instructions about how you would do that.' And by doing something as simple as that, what they found in the UK is that there was a change in participation from about 49% all the way up to 86% participation rate, which is huge. And it has huge economic impacts for the entire country as you think about an aging population.

What I've seen in Ontario, the Government of Ontario, the province has a nudge unit as well. And what they did is they started to work on how could they change the messaging to people about renewing their driver's license in the different ways that they could renew their drivers or excuse me, their plate, their license plate. And what they did is they changed their messaging and they used nudge messaging and added a highlight to make it easier for people to understand the information and to see the information quickly. And what they saw is the dramatic increase in the number of online renewals that were happening, which again is something from a cost savings perspective is really important.

But then, thinking about some of the other sectors that we're seeing it in and what we've seen in Australia in the health sector is we've seen them using behavioral sciences to increase the number of women who are getting breast cancer screening. And how they're doing that is, when they're sending out their message about the screen coming up, they're also asking them to make a plan. And so they're including something as simple as a sticky note with information on it, places for them to fill in the day that they're going to make the appointment, the time that they're gonna need to make the appointment so they can take that sticky note and put it someplace where they can see it. And so providing those prompts and reminding people is really, really effective.

We've also seen it used more recently in the United States. This particular study is really exciting me, because we have not yet seen the outcomes of it, but it does hold such promise. We're seeing it being used to send behavioral reminders to parents and resources to parents using text messaging to help parents and remind them about the importance of reading with their children, talking with their children, playing word games with the children, all in an effort to try to reduce that word gap in young children and children under three, which we know is absolutely critically important to increase literacy rates and school success.

Line: Well that's great. I guess, let me ask you this then. So what opportunities are there to use this concept in licensing? So I can understand it certainly from the educational aspect that you just kind of described; that makes logical sense to me. But how can we do this - short of sending PostIt notes for licenses to remember to renew their license - but in particular also for a compliance environment, which I'm very well involved with?

Cynthia: Absolutely. Unfortunately, there has been less research and publication in this area. So what we need to really do is look to those examples of other jurisdictions and other sectors that have been using it and see how it can apply to a licensing and compliance environment. But there are direct ways that we can start to use this today. And we can start to think about how we use it inside the organization - so how do we communicate inside and with our colleagues, how do we set up internal processes? - but also how do we do this outside the organization with our members or licenses or our registrants, or whatever the term is that we're calling that?

And there's a real attractiveness to this approach because, as you know, Line, we all have limited budgets working in the types of organizations that we do. And so for us, we all have a shared desire to want to maximize our efforts and make sure that what we're doing is as effective as possible.

When I look at this, I see two key areas that we can really start to focus in on, again, whether that's inside our organization or whether it's external.

The top one for me is about written correspondence. So think about how we're presenting the information to people, whether it's a reminder or whether it's something around compliance or communicating to them an important change in something, How are we presenting it to them? What do we know about the way people read information?

Well, two really important things about the way we read information. One, we tend to only read things that are on the left-hand side of the page; we tend to do an F-scan. So if you look at a piece of paper and you kinda draw a big mental F on there, that's kind of the pattern, the eye pattern, that people will read when they're reading. So think about where your most important information is. Is it near the top of the letter and, going down the letter, is it following down the left-hand side? The other thing that we know people do is they tend to read post scripts. So again, if you're composing a letter, they read in an F-scan and then they jump down to the post script and they tend to read that in full. So can you use that? Think about the font size that you're using. Think about using salience to highlight things or changing the font or using a different color to highlight the most important information. So pretty simple, almost no-cost things that we can all do immediately to really increase how people are paying attention to what we're reading.

You also wanna think about opportunities for customizing your letters. We all tend to be, quite frankly, we all tend to be a little bit self-absorbed. We like things when it's important and relevant to us. Can you use relatable language? Can you use things that are specific to their context, their local context? And avoid jargon; use language that's going to be language that's accessible to the reader.

You also wanna think about providing any of those clear steps that focus on action, and ideally only one. If you have multiple complex steps in your letter, you need to think about your process (which I'll talk about a bit more in a minute) or you need to think about conveying that information a little bit differently. You wanna think about deadlines and including that, making sure that's really as clear as possible.

And then again, if you're looking to the Australian example, are there ways that you can help them to plan their next steps of action? Are there prompts that you can remind them of? Are there things that you can make it really easy? You also wanna think about the language that you're using in terms of speaking in benefits or consequences of either taking action or not taking action, whichever is appropriate to your context.

So that's just on written correspondence. Does that make sense?

Line: Absolutely, I remember when I started as the chief compliance officer, I read all kinds of leadership and management things and compliance stuff, and one of the things I ran across was the seven ugly truths about compliance. And I'll skip to one of the ones that jumped out in my head, which is number three. No one reads past the first three lines of your email.

Cynthia: That's right!

Line: And so being concise and clear and get to your point quickly, it's pretty important to that. I've been notorious, especially on the personal side of planning out backpacking trips or something like that, and sending emails about the upcoming trip and I've gotten responses before where it was the acronym for Email Too Long; Did Not Read. So you have to be cognizant of that, certainly when you're trying to reach your registrants and licensees. So I guess, what kind of projects have you been involved in?

Cynthia: Well, certainly I focused a lot on here at the College of Early Childhood Educators, we've done a lot of work with our correspondence over the past three years. When I first joined the organization a lot of our letters were really heavy with legal text and were quite text dense. So we spent - and this was a great activity to do with staff because they were the ones on the phones with people who were phoning and saying what they understood or what they didn't understand - and so we spent a long time going through an activity, what I like to call de-sludging. And so getting rid of the information that we didn't need to have in there. How could we simplify that as much as possible?

One of the other things that we started to do is we also started with our communications department to look at what was the most effective time to send messages if we were sending them electronically. So you can do all of this with email software now. And what we actually found is that for our communications products, Saturday mornings tended to be the best time. We tried sending things out at different times of the week, and what we found is Saturday mornings had the best open rate. So how do we leverage sending our information at key times when we know people are going to be using that?

We've also done work in the area of process redesign and in terms of actually looking at what our registration and renewal processes look like and how do we leverage some of the information that we know from behavioral sciences around making a really simple process. And some of the key concepts around that are trying to get people as prepared as possible, making sure that they have all the tools and the documents that they need to be able to complete the task, trying to provide the reminders so that they can monitor their completion rate. So how can we kind of sign post for them through the process?

And really looking at how long things are taking, with a view to getting something completed in a single sitting. If it's a process that's too long and people have to come back multiple times, the chance of them not continuing increases, the more times that they have to come back and either re-start something or continue on with something.

So those are the very simple things that pretty much any organization can start without a lot of extra effort.

We have done some testing in terms of trying to increase for our Council voting Council election process. We have done a little bit of testing in that area, kind of tippy-toeing into that with some really initial favorable results. And again, that really focused in on leveraging what we know about written correspondence, making it really timely, providing the most salient and influential language that we can to try to spur people to action to actually vote. And we have seen some increase in that area, but certainly some more work that needs to be done.

Line: Well, for our listeners, if they're an organization that's interested in trying this, how would they know if they're ready to take something like this on?

Cynthia: That's a really good question. And I think the number one thing that people really need to think about is, they need gauge their own and their organizational sense of curiosity and their willingness to test something. And that sometimes is a bit of a scary thing for people to be able to do. If you like a lot of certainty, this can be a bit of a scary process. What you need to think about though is, in the long run, unless you are testing things and trying new things, you don't know how much more effective you can get. And so, finding a project that is one that you feel comfortable trying something new with and then comfortable testing- that's kind of a first sign. You know, if you feel comfortable taking something on and testing it, and you've got this strong sense of curiosity or a hypothesis about how you can make something work- that's the number one sign that okay, this is something, this is for you.

You have to also understand what it is you're trying to do. So you could do a complete review of your correspondence and simplify everything, but if you don't have a good idea about what each one of those pieces of information is trying to do, what's the message that it's trying to convey to somebody, what's the problem you're trying to solve, chances are you're not gonna be as successful. So clearly understand what it is that you're trying to do and what it is you're trying to achieve.

You also want to access the absolute most reliable data. So, regulatory and compliance organizations have an awful lot of data. And so what you wanna make sure that you understand is, how do you access that data? How can you back up any of the interventions that you might be taking? How can you back up with evidence that they've been successful or not successful to help guide your decision-making process? And how comfortable do you feel with data? And if you're not comfortable with data, get comfortable with data before you try to do any of these exercises.

So, the final piece, which I think is incredibly important, is about understanding your audience and understanding their context. And so what I mean by that is, for us understanding our audience meant that we understood that Saturday mornings was a really good time to get their attention and get them to read something. That may not be the case for every occupational group. It may not be the case in every jurisdiction as well. That's where you need to apply your understanding of the occupation, your understanding of what their life is looking like, and then design your intervention based on that.

Line: And obviously there's some good food for thought there as far as how to approach that. Any other cautions that you would give?

Cynthia: Absolutely. So number one, when we're talking about nudging and if you're doing any searches, any Googles on nudges, you're gonna hear a lot of different perspectives on that. And so the caution I would really advise is if you're reading up about it, read lots of different sources. And then when you take action, only nudge for good. You will hear, you will see a lot on different articles that talk about how nudging can be used for manipulation and how it's evil. That's not the intent with anything that we're doing. We're always wanting to try to approach any intervention that we're making about making a process better, about making things better for our registrants and for our organization. So only nudge for good.

The other caution I would offer is, if you're approaching this as trying to solve a problem, you need to make sure that it's actually a behavior problem that you are solving. Sometimes when you're trying to apply some of these treatments, what you end up finding out is that it's not a behavior problem with the registrant or with the audience that you're working with; it's actually a system problem on your end or it's a process problem; it's not a behavior problem. So, actually that problem definition is incredibly important.

And then finally, you need to, again, be aware of your audience and be aware that just because you've done something one time, and it has worked one way one time, doesn't mean that it always will. So you almost need to commit to consistently reviewing it. Because what happens is audiences get fatigued. If they see exactly the same form every six months or every two months, you tend to ignore it because, again, as humans we get caught up with the hassle factor, we get caught up by having too much on our plate and forgetting things or trying to find shortcuts around them. And again, we're really influenced by that social context.

Line: Well I guess as we finish up, how could we find out more about this?

Cynthia: Well, there's a number of different frameworks that are available for free on the internet and so you could just do a search around using the keywords 'nudge' or 'behavioral economics' or 'behavioral insights' or 'behavioral sciences.' Any of those words, you'll find a whole bunch of articles, you'll find some frameworks. I would say if you like reading and you like kind of diving into them, those are great places to start.

There is a website that I particularly enjoy, and why I enjoy it is, it takes the information from those frameworks and really presents it, they use the elements of Behavioral Sciences to actually present it in a really clear way with clear applications and studies that you can read afterwards. And that website is bhub.org and that's put together by the folks at the Behavioral Evidence Hub.

Line: Great, well, thank you. This has been an awesome discussion, and I really do wanna thank you for your time and being a part of this CLEAR podcast. It's always wonderful to have the opportunity.

Cynthia: Thank you.

Line: Oh, yeah, absolutely. And so I do wanna thank you for speaking with us today. I also wanna thank our listeners. I know you guys have been around for a while, listening and keeping up with us, and we appreciate that. We'll be back with another episode of Regulation Matters: a CLEAR conversation very soon. For those that are new to us, you can subscribe to our podcast on Podbean, iTunes, Apple Podcast, Google Podcast, Google Play, Stitcher, Spotify or TuneIn. It's available in a lot of different avenues for you. If you've enjoyed this podcast episode, please leave a rating or comment in the app. That does help us improve our ranking as well as make it easier for new listeners to find us.

Feel free to visit our website at www.clearhq.org for additional resources and a calendar of upcoming training programs and events. So finally, I'd like to also thank our CLEAR staff, specifically Stephanie Thompson; she is our content coordinator and editor for this program. I'm Line Dempsey, and I hope to be speaking to you again very soon.

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