

Nudge Theory

Why use a shove when a nudge will do?

Introduction

This short paper is meant to be read in conjunction with the accompanying PowerPoint. The presentation is a joint effort but each of us brings a different perspective. One is that of a supervisor and the other is that of a teacher.

The Problem(s)

Why won't students do what we want them to do? Why don't students read our emails? Why don't they read the case studies? Why aren't they ready for assessments? Why do they promise the world and deliver nothing or next to nothing? Why do they leave everything to the last minute?

Of course there are many reasons and fortunately it is only a small number who cause problems though they take up an inordinate amount of time.

Is there a tool which will solve these problems? No. But is there a way to help with these problems and to assist the general body of students to successfully complete their PLT with the maximum amount of knowledge and the minimum of fuss and bother for us and for them? Perhaps.

Definition of Nudge

Richard Thaler and Cass Sunstein published a book called Nudge in 2008 and while it cannot be said they invented nudge theory they certainly popularised it and defined it in their book as :

A nudge, as we will use the term, is any aspect of the choice architecture that alters people's behaviour in a predictable way without forbidding any options or significantly changing their economic incentives. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates.

Choice architecture is the environment where many features noticed and unnoticed can influence a decision maker.

One person's nudge is another person's shove or restriction of freedom of choice. For this presentation we will follow Thaler and Sunstein's definition.

Examples of Nudge

The most famous example is the urinal at Schiphol Airport. They had a spillage problem so they painted a fly on the urinals intending to improve the users' aim. It is claimed that they had 80% less spillage though my mind has some difficulty in working out how that was measured.

Another example used by Thaler and Sunstein is the school cafeteria. The aim was to improve the sale of healthy food and restrict the use purchase of junk food. The healthy food was placed at eye level at the beginning of the counter and the less healthy was tucked away at the back. The result was an increase in the sale of healthy food.

Another example was the sale of apples. There was a 70% increase in the sale of apples when they were sold sliced rather than whole.

Government Use of Nudge Theory

The British Government under David Cameron created the British Behavioural Insights Team. President Obama appointed Cass Sunstein as Administrator of the Office of Administration and Regulatory Affairs. The NSW Government created the Behavioural Insights Community of Practice with strong links to the UK nudge team. The Behavioural Insights Community of Practice is a forum for individuals and agencies to engage on and discuss the use of behavioural insights in policy making and service delivery. It has been in operation since at least early 2013. In November 2015 Malcolm Turnbull created the Behavioural Economics Team of the Australian Government.

Why use Nudges

People don't like being told what to do. A nudge helps them in the "right" direction without taking away their freedom of choice. Thaler and Sunstein call this libertarian paternalism.

Human beings are hard wired in ways that are not necessarily to their benefit in modern society eg preferring short term gain to long term benefit or fear of loss outweighs the prospect of gain. Procrastination or inertia is very common. Making the default option the more beneficial one can make that work for a person's benefit. Thaler and Sunstein give the example of joining an employer superannuation fund. The default is to join rather than not to join. This is an example of altering the choice architecture. Of course in Australia employees have no choice at all on whether to join a fund or not.

Types of Nudges

To assist with understanding we have characterised nudges as reminder nudges and psychological nudges. Most nudges are a mixture but one aspect is predominant.

Reminder Nudges

Don't forget the deadline to submit your work is [] or you need these documents to get your letter of completion.

Psychological Nudges

These nudges are based on our understanding of human behaviour and how it is not necessarily rational in that we don't always act in our own best interests. Social Psychology lists many behaviours which can have different names. We will briefly deal with a few which are relevant to PLT.

Social Positioning

We identify with the herd and act in a way which conforms with herd behaviour.

Confidence Bias

We are better than average.

Reciprocity

We are hard wired to give something in return

Loss Adverse

The fear of loss is twice as strong as the wish for gain when calculating risk

Inertia and Procrastination

Most people are affected by this.

How do we use these behaviours to assist in PLT?

Problems

People are being manipulated without knowing it sometimes for their own good but it could be for the good of government or a commercial organisation. Why are the milk and bread at the back of the supermarket? Is it to give you more exercise when you are out shopping? We recently had to open a bank account. We needed a cheque account which paid no interest but also a savings account which pays some small interest. We can't operate out of the savings account so we must put funds into the cheque account to pay bills etc. Are we being manipulated so that the bank does not have to pay us as much interest?

Where should we draw the line? Is there a line or does it just morph into the same thing as telling people what to do?

Do nudges lose their effectiveness over time? Homer Simpson will always go for the junk food but will Chief Wiggum get tired of the healthy food and join him?

Should a nudge just help students make active and informed decisions about what is best for their personal circumstances, rather than use nudges to tell students what's best for them?

Nudges to change Student Behaviour in PLT

Problem: A large cohort of students not keeping up with the work

Draft group email regarding place in herd eg 80% of students have submitted work on time... don't say 20% have not and don't imply most students have not submitted their work or the nudge will backfire.

Problem: A student has fallen behind. How to encourage her to catch up?

Use the reciprocity bias. Give the student an unasked for extension so she owes you.

Nudges to change Teacher Behaviour in PLT

Problem: Marking over 90 in oral assessments

Require justification in the comments box.

Conclusion

Nudge theory is not rocket science. It uses knowledge of human behaviour to guide people to a course of action.

Thaler's theme in his TED Radio Hour Broadcast of June 2016 was "make it easy". If at all possible start with that.

Sometimes it is not possible so then use the knowledge of our human natures given to us by social psychology to help guide the students.

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