

THE ROLE OF NUDGE INTERVENTION IN EMPLOYEE MENTAL WELL BEING AMID PANDEMIC.



# INTRODUCTION



This essay focuses on the findings of the Annual Work Trend Index Report. It says that 52 percent of Gen Z and Millennials are likely to consider changing their employers this year (Microsoft, 2022). Seventeen percent of people had left their jobs by 2020, and we saw this trend continue by 18 percent in 2021. After further analysis, below are the top aspects listed by Gen Z as needed for an employer to provide:

* Mental health and wellbeing
* Positive culture
* A sense of purpose
* Positive feedback and recognition from top authorities
* A manager who helps in career advancement

Due to the remote work policy, it is becoming exceedingly difficult for employers to retain talented employees. A leader needs to create a work culture that prioritizes employee wellbeing and understands their needs to retain talents. It will help the organization achieve long-term growth. The report also states that the managers feel wedged between leadership and employee expectations. The report states that 54 percent of the managers feel that leadership at their firm is out of touch with employees (Microsoft, 2022).

This essay aims to address the needs of Gen Z and how leaders can introduce new practices to support them. We will focus on the Mental Health and wellbeing factor in this essay as this has the highest priority amid the pandemic and work from home.

Another reason for choosing this factor is that talking to a person will help managers understand the problems of team members so that they can understand their needs. Thereby making employees feel valued. This aim can be achieved by nudging.

Leadership is all about behavior. Even highly experienced and talented leaders are more likely to ignore basic leadership practices such as showing appreciation, giving positive feedback, and helping new joiners with their careers amid the hustle and bustle of modern workload. A nudge would be a subtle reminder for the leaders not to ignore the basic practices.

The essay is structured as follows: Understanding nudges and their effectiveness, decision mapping and their bottlenecks, recommended nudges, and conclusion.

# UNDERSTANDING NUDGING



### WHAT IS A NUDGE?

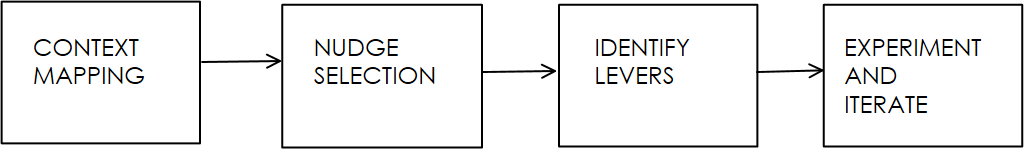
At its simplest, nudging refers to altering people's behavior through small information changes. This alteration, in turn, affects that person's choice without taking away his freedom to choose (Anon., 2021).

A more technical way to understand nudging is to refer to the book Nudge: Improving Health, Wealth and Happiness Decisions by Behavioral Economists Richard H. Thaler and Cass R. Sunstein. They state that nudging is "any aspect of the choice architecture that alters people's behavior in a predictable way without forbidding any options or significantly changing their economic incentives." (Richard Thaler, 2008)

### WHAT TO CONSIDER BEFORE WE INTRODUCE A NUDGE?

* Nudges must not be misleading and always be transparent.
* It should be easy to decide against a nudge.
* Nudges should be framed so that the behavior encouraged will improve the welfare of those nudged.

### HOW DOES THE NUDGE PROCESS OCCUR?



*Fig 1. Nudge process chart*

To select a nudge, one needs to be sure about the decision process mapping. During the mapping process, the bottleneck that might appear at each stage has to be considered concerning the four dimensions mentioned below (Richard Thaler, 2008):

* Self-control vs. Activating the desired behavior
* Externally or self-imposed
* Mindful of mindless
* Encouraging or discouraging?

When choosing a nudge, we need to ensure that the person on whom it will be imposed is aware of what they need to do to make a better choice. It is essential because it does not make sense to impose a nudge if they do not know what to do next. The second thing to ensure is whether the individual is ready to impose a nudge on themselves. If not, there is no point in nudging them since it will not yield any favorable results for either of the parties. We must also understand why there is no change and confirm whether this is due to inactivity or competing action.

After choosing the nudges, we need to find the appropriate implementation areas. An area can have more than one nudge. So, we need to work out each nudge's priorities and test its effectiveness.

The effectiveness of the nudges can be achieved by testing, enhancing, and reducing the risks, if any. It can be achieved by a quantitative test method known as Randomized Controlled Trial (RCT) (Hariton, 2018), discussed in the upcoming sections.

### WHAT ARE SOME OF THE HEURISTICS CAUSING BARRIERS?

It is essential to understand why people often make bad choices to nudge them to make better decisions. According to Thaler and Sunstein, bad choices are often made due to bias in decisions (Richard Thaler, 2008). Below are some biases promoting bad choices.

* Anchoring and adjustment bias occurs when information is overweighed, and assumptions are made.
* Affiliation-based covering occurs when a person avoids certain identity-related behaviors to negate stereotypes about their identity.
* Association-based covering occurs when an individual avoids contact with other group members.
* Status Quo occurs when a person is afraid of change and wants things to stay the same.
* Availability heuristic is when the latest information is given more weightage than the others. It is because more recent events tend to impact one's behavior profoundly.
* Loss aversion is when one is hurt more when expected to give up something and pleased if they acquire it.
* Choice Overload occurs when a person gets overwhelmed by too many options.

# DECISION MAP



Before one proceeds to nudge intervention, it is necessary to map the decision context. Decision mapping exposes facts about the issue and the pros and cons of making alternative decisions. Depicting in a visual format helps reduce the complexity. Before making the decisions, we need to consider each decision's property, the expertise needed to make the decision, the individual's mindset to accept and follow the nudge, and the environmental factors (Consultancy.UK, 2020).

|  |
| --- |
| DECISION PROPERTIES |
| 1. Is the decision important to the individual, or does it receive little attention?   It is essential and is receiving more attention amid the pandemic.   1. What moments/events motivate a person to act on the decision?   When their team productivity and sick leaves are affected. When more team members are leaving the job.   1. Is this an active or an automatic, passive choice?   It must be an active choice for managers to care for employees' wellbeing.   1. What is the default option if the individual decides to do nothing?   It will result in employees, especially Gen-Z, leaving jobs.   1. Is feedback currently available, and is it received immediately?   Feedback is available, but it takes time to see the impact.   1. What are the incentives? Which are most prominent? Which ones are not?   The primary incentive of mental health support is positive work culture and employees feeling valued.   1. What are the associated costs/barriers?   Narrow minded, time-consuming, lack of proper resources, misconception about mental health, is not aware of mental well-being's importance. |
| INFORMATION SOURCES |

|  |
| --- |
| 1. What knowledge is needed to make the decision?  Managers must have taken proper training to deal with sensitive topics. |
| INDIVIDUAL MINDSET |
| 1. Are the benefits of making a good choice delayed or experienced immediately?   It takes some time to see the benefits of mental health support.   1. Is the decision usually made when the person is in an emotional state?   No. This decision is made when one sincerely cares about employee well-being and worries about less retention.   1. Does the decision require exertion of willpower or self-control?   One should have the willpower to be vulnerable in front of employees by sharing medical appointments. |
| ENVIRONMENTAL FACTORS |
| 1. Is the decision made in isolation or in a social environment?   Decision is made in a social environment after communicating with all the peer members.   1. Is the decision influenced by what is presented in the media or expert opinion? It could be. For instance, seeing a competitor implement employee support and its success and retention rate might influence. 2. Are peers/others important consideration when making a decision?   Not providing mental support states negative work culture, which does not do any good for the organization. |

*Table 1. Decision checklist*

A decision checklist should be carried out before proceeding to the mapping.



Understanding the importance of mental health

Allocate funds for employee mental well being

Follow-up after meetings

Have one-on-one meetings with team members

Learn about team members

*Fig 2. Decision map*

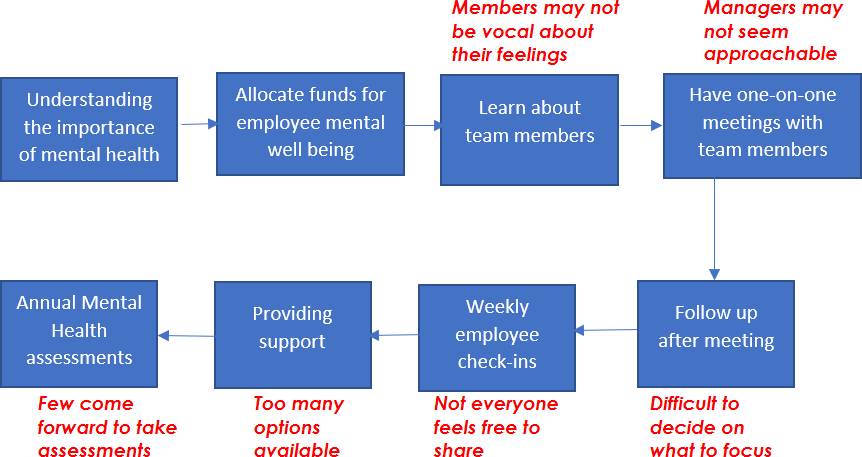
Weekly employee check-ins

Providing support

Annual Mental Health assessments

To implement nudges on improving the mental wellbeing of the employees, it is essential for the managers, leaders, and employees to understand the significance of mental health. Mental health awareness programs must be conducted to understand (Singanamalli, 2020). So, an organization needs to allocate funds for employee wellbeing to conduct awareness programs and support. After conducting awareness programs, the leaders must have one-on-one meetings with team members to understand them better. The leader needs to understand all their team members and preferences for the meeting to go successfully. The meetings must be followed by regular Follow-up meetings and weekly employee check-ins. Additional quality support must be provided to needy employees, followed by annual mental health assessments.

### BOTTLENECKS AT EACH STAGE:



*Fig 3. Decision map with bottlenecks*

Figure 3. shows all the bottlenecks that could occur at each stage. Bottlenecks prevent someone from achieving the outcome, which is the entry point for intervention.

Bottlenecks occur because of bias or heuristics.

### HEURISTICS CAUSING THE ABOVE BOTTLENECKS:

* *Affiliation-based covering:* This bias could cause a manager to not discuss their medical appointments and not support mental health-related events in fear of being outed (Anon., 2019).
* *Association-based covering:* This bias could cause an employee not to want to attend mental health network groups for fear of being exposed (Anon., 2019).
* *Status Quo:* This bias could make it difficult for employees to open up to their struggles. It makes them not speak about their feelings.
* *Choice Overload:* This bias could make it hard for the manager to select which mental health support to choose since various support groups are available.

# RECOMMENDED NUDGES:



|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | MINDFUL | | MINDLESS | |
|  |  | ENCOURAGE | DISCOURAGE | ENCOURAGE | DISCOURAGE |
| ACTIVATING | EXTERNALLY | Training |  | Signing up with |  |
| DESIRED | IMPOSED | managers to | NHS to provide |
| BEHAVIOUR |  | create | support. |
|  |  | awareness | Provide quirks |
|  |  |  | for finishing the |
|  |  |  | assessment |
| BOOSTING | EXTERNALLY | Focusing on |  |  |  |
| SELF | IMPOSED | sick leave and |
| CONTROL |  | productivity for |
|  |  | proper follow- |
|  |  | up sessions. |
|  | SELF- | Getting to |  | Making yourself |  |
|  | IMPOSED | know the | vulnerable by |
|  |  | team’s | sharing first. |
|  |  | communication |  |
|  |  | style. |  |

*Fig 4. Nudges with respect to four dimensions*

## The manager must check with the team members regarding their preferred communication style (Derrick, 2020).

* Bottleneck addressed: his helps understand how to communicate with the team members based on their comfort way of communication. Some may be comfortable with one-on-one meetings and some with calls, and some with texts. It helps us communicate in their way, thereby giving the employees a comfort zone to share any issues.
* Not addressed: Introverts might not be comfortable sharing their views as quickly as extroverts. So, it might take some time for managers to get to know them better.

## Training all managers in dealing with sensitive topics such as mental health (O, 2020) .

* Bottleneck addressed: This makes the managers more approachable and sensibly communicate with employees.
* Not addressed: Some managers might not attend the training due to the affiliation-based covering bias discussed above.

*To focus on sick leave and productivity hours* (Haughton, 2017).

* Bottleneck addressed: The managers might suffer from choice overload bias since there are too many factors to focus on. Therefore, focusing on the above two factors will help conduct sensible follow-up sessions.
* Not addressed: Some employees could burn themselves off by not taking any sick leave even if they are ill.

## Make oneself vulnerable, share experiences, and know about appointments (Smith, 2014).

* Bottleneck addressed: Not everyone feels free to share, so being vulnerable encourages them to share.
* Not addressed: People who are not ready to share no matter how much effort put in.

## Since there are too many options available, set up a tie-up with government services like the NHS for free health checkups monthly for all the employees.

* Bottleneck addressed: Since there are many options available due to the surge of mental health awareness, this nudge helps choose the best.
* Not addressed: People who are not ready to participate no matter how much effort put in.

*By introducing rewards for those taking the assessments* (Vantage, 2021).

* Bottleneck addressed: Many come forward to take up assessments by the introduction of benefits.
* Not addressed: People who are not aware of the importance of this assessment.

# IDENTIFYING LEVERS:



* Management can automate mental health awareness training for managers and employees along with their onboarding.
* The company can make the Annual mental health assessment default.
* Management can create an employee wellbeing online forum to simplify the sharing process.

# NUDGE EFFECTIVENESS:



The effectiveness of any nudge intervention can be evaluated with the help of Randomized control trials (RCT) (Anon., 2020). It is said to be the best method for delivering rigorous evidence of effectiveness without solid assumptions, limitations, and biases (Hariton, 2018). This technique utilizes control and test groups to evaluate the interventions. The control group provides results that show what would happen without introducing intervention. It helps us compare the before and after pictures, which proves the effectiveness of the interventions. The test and control group members are assigned randomly.

Our scenario can be tested by implementing it in one team to compare the results. Below steps should be followed for testing the effectiveness of the above-introduced nudges (Haynes, 2012):

### TEST:

* Identify two sets of teams to compare the results.
* Our intervention results show that more people are open about their struggles and feel valued by employers who want them to stay in their current jobs.
* Control and test groups are randomized depending on the manager they report. Choosing members under the same manager who introduced the nudge would bias the results.
* The test and control group size is based on the team size on which the intervention is tested.
* The nudges are assigned to the group based on one nudge per unit.

### LEARN:

The results below are measured by each unit respectively:

* The number of managers who underwent training successfully.
* The number of employees who actively participate in weekly check-ins.
* Employee satisfaction is measured through anonymous surveys.
* The count of employees who signed up for NHS support.
* The number of people who took the assessment.

### ADAPT:

* Based on the above findings, one can adapt to the interventions.
* It is necessary to constantly improve our understanding of what works best by repeating the process monthly.

# CONCLUSION:



Nudges are everywhere. We either use them knowingly or unknowingly in our day-to- day lives. It allows us to choose an option without subconsciously removing our freedom of choice. It behaves like a gentle push in the right direction. The nudge theory has proven effective in various organizations and government offices. The government of the UK (United Kingdom) has a separate nudge unit that played a significant role during the pandemic. Although nudges are seen everywhere, it is the mightiness of an organization to design them systematically to solve the problem correctly without any force of choice.

The goal of our intervention was to make the Gen-Z population retain their job by providing them adequate mental support, which was their primary concern. Employees' wellbeing is highly correlated to productivity at work. It also results in reduced sick leave, which decreases costs for companies in the form of hospital bills. With correspondence to (HubbleHQ, 2020), we can conclude that nudges toward mental health awareness in an organization help uplift the company culture by focusing more on employee wellbeing. It directly links to employees feeling valued. According to Rhoades (n.d.), valued employees are less likely to withdraw from work. Thus, the nudge theory is an effective solution for employee wellbeing.

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