Article

Human Resource Management: For Humans

Dilip Soman[1]

Abstract

Marketing departments, governments and policymakers all around the world have increasingly started embracing the field of behavioural sciences in improving the design of products and services, enhancing communications, improving managerial decision-making, encouraging desired behaviour by stakeholders and, more generally, creating a human-centric marketplace. Within organisations, the human resources management (HRM) function is perhaps the one place that acknowledges that humans are central to the organisation's success, so it is critical that HRM too actively embraces the insights and methods of behavioural sciences. In this article, I provide an overview of the behavioural sciences, discuss how HRM can benefit from an in-depth knowledge of the science and illustrate specific examples from recruitment processes, training and communications, incentive design, employee-oriented processes, and diversity and inclusion initiatives that could benefit from evidence from behavioural sciences.

Keywords

Behavioural science, managerial decision-making, nudge, sludge, human compliance

Introduction

It is perhaps uncontroversial to claim that people are the heart of all organisations and, indeed, the engine around which our modern-day economy operates. Irrespective of what its goal and nature of business are, it is people that are responsible for the design, creation, manufacturing and delivery of its products and services; it is people who sell and provide service to customers, and it is people that consume these products and services. Economies and organisations are therefore comprised of a collection of people that create, interact, learn from and make decisions that affect not only their own personal well-being, but also the well-being of others, the organisation and the economy (see Thaler, 1994).

[1] Behavioural Economics in Action Research Centre, Rotman School of Management, University of Toronto, Toronto, Canada.

Corresponding author:

Dilip Soman, Behavioural Economics in Action Research Centre, Rotman School of Management, University of Toronto, Toronto, ON Ontario M5S 3E6, Canada.
E-mail: Dilip.soman@rotman.utoronto.ca

Within organisations, the field of human resource management has evolved to embrace the idea that people are perhaps the most important resource. The field itself refers to the creation and implementation of practices, policies and processes to effectively organise and manage all human capital resources in the workplace, in the service of the ultimate goal of enhancing business outcomes (Guest, 1987). Obviously, this involves a series of many discreet yet interconnected activities (HRPA, 2016).

Broadly speaking, human resource management might perform two kinds of activities. The first kind relates to the making of judgment and therefore decisions relating to human resources, for example, decisions on whom to recruit, whom to promote, whom to recommend for awards and recognition within the organisation, and who to provide training and additional responsibilities to. The second set of activities revolves around the construction of processes to ensure that employees receive all of the support they need to effectively create value for the firm's customers and eventually for the firm. These services might include the delivery of salary and benefits, annual assessments, accommodations, accessibility, coaching and training as well as mentorship. In addition, human resource management also involves the design of policies and procedures for how both these sets of activities will be conducted (Noe et al., 2014).

It is worth keeping in mind that human resource management (hereafter, HRM) therefore involves a series of people (human resource professionals) making judgements, decisions and creating procedures and policies for another set of people (employees). In that sense, HRM is perhaps the most human-centric role in any organisation. Given the centrality and importance of human behaviour and social interactions to the success of the HRM function, it is critically important for us to understand exactly what the underlying theoretical frameworks from social psychology, cognitive psychology and the behavioural sciences more generally are. Knowledge of these frameworks will enable us to better build policy and procedures that are human compliant.

In particular, given what we know from the field of behavioural sciences, are human resource management policies perfectly consistent with the way in which humans interpret, understand and react to the world? Do HRM recruitment policies reflect an understanding of how the decision maker themselves might be susceptible to making suboptimal choices? Do HRM managers recognise the fact that people are heterogeneous and different in their approach to social interactions, information processing and decision making, and is this heterogeneity embraced in the manner in which policies and procedures are designed? Or, in our zeal to develop consistent and mechanistic processes, do we inadvertently disadvantage some of our employees at the expense of others?

The rest of this article is divided into four sections. First, I provide an overview of the field of behavioural science to highlight its relevance to HRM. Second, I make a case for why HRM needs to better understand and embrace the concepts of Nudge and Sludge. Third, I provide some illustrative examples of the use of behavioural science insights in HRM, and conclude with some recommendations.

What Is a Human?

It has now been over 12 years since Richard Thaler and Cass Sunstein co-authored a landmark book called *Nudge* (Thaler & Sunstein, 2008). This book—and many others that subsequently followed it (cf., Halpern, 2016; Soman, 2015)—made the eloquent argument that marketplaces are a collection of humans, therefore a thorough understanding of human behaviour is critical to success in understanding and succeeding in marketplaces. *Nudge* made a distinction between two kinds of entities. Econs are hypothetical creatures that live on the pages of economics textbooks. They are forward-looking, they have infinite knowledge, they are unemotional, they process copious amounts of information and are

able to integrate it with the appropriate mathematical sophistication, and they are always looking to maximise outcomes. Human beings on the other hand are different. They get overwhelmed by too much information and too many choices (Gourville & Soman, 2005), get emotional and stressed trying to make complex decisions, are often myopic and choose to act in order to maximise short-term happiness rather than longer-term outcomes (Thaler et al., 1997), and are cognitive misers and often lack the sophistication to do complex problem-solving activities (Simon, 1956). Econs respond well to information and instructions—give them complex instructions and they will comprehend and comply with it. Humans on the other hand often choose not to even read information, especially if it appears complex. If they do read them, they might not understand them. Simply giving information and instruction to humans does not guarantee that they will make the right choices.

Organisations that are successful at activities such as creating potentially value-based products are not successful at the last mile (Soman, 2015). The last mile is the human-facing part of the organisation where stakeholders (both external stakeholders like customers and internal stakeholders like employees) need to change behaviour. Last-mile problems occur because society and organisations tend to design products, policies and processes for econs when in fact the actual consumer is a human. In offering a retirement savings plan for our employees, we might assume that every employee is motivated enough to save for the future and that they will therefore have the strength and forbearance in dealing with processes that might involve the completion of complex forms, periodically logging into their accounts, making routine contributions, rebalancing portfolios, and updating information as and when new information becomes relevant. However, research shows that many employees are not as motivated as we believe they might be (Benartzi, 2012).

The question of what it means to be a human has its roots in a large literature on behavioural sciences. Here, I focus on three specific aspects of humanity: the role of context, procrastination, and the use of heuristics to make decisions.

Context

Philosopher and psychologist William James wrote that human behaviour is an interaction between the organism (the individual), and the environment (the context in which the judgement and decision are made; James, 1918). He further argued that the very same individual could make different decisions as the context around them changed. Many years later, Thaler highlighted the importance of what he called SIFs (supposedly irrelevant factor) in decision-making (Thaler, 2015). SIFs should not matter based on what economic theories of decision-making would suggest, but empirically they did affect judgements and choices. SIFs could include aspects of timing (the time of the day or the day of the week, the season or the month in which a decision was made), aspects of physical features of the environment (e.g., whether a decision was made in an office or at home, in the physical world or online), information and choice presentation environment (e.g., whether there were other options available in the environment, the manner in which information about the alternatives was presented), or even the presence of social others while making a decision (e.g., whether there were other people physically present and who these other people were).

In the domain of legal decision making, the principle of legal formalism holds that judges apply legal reasons to a fact of a case in a rational mechanical and deliberative manner and that extraneous factors should have no effect. In contrast, research shows that the percentage of favourable rulings dropped gradually as the day started up to lunchtime, picked up again after lunch and then showed a similar pattern in the second half of the day (Danziger et al., 2011). When people are offered a choice between

three cups of coffee whose sizes are 8, 10 and 12 ounces, people tend to choose the compromise option which is the 10-ounce option. However, when the same group of people were offered a choice between 10, 12 and 14 ounces a few weeks later, the majority of people now chose the new compromise option, that is, the 12-ounce option (Soman, 2015). In this example, people were using the offered assortment to infer their own preferences.

Procrastination

The behavioural sciences literature is replete with demonstrations of the idea that a number of people who intend to make certain decisions or take certain actions end up not doing so. For instance, many respondents in a survey about retirement planning wished that they could save more for retirement but are unable to do so (Thaler & Benartzi, 2004). Likewise, there are a number of demonstrations of the fact that people intend to save, spend more time with their families, learn new skills, or develop healthy habits, but despite all good intentions, they are unable to actually get their desired task done. A recent review and synthesis argued (Soman & Ly, 2018) that there are three segments of people for any behaviour change intervention. Motivated enthusiasts are people who agree with the need to take certain actions and get it done immediately. Diehard opponents on the other hand might have a number of reasons for why they have absolutely no intention of changing their behaviour.

The third segment, naive intenders, is often a large and insidious segment. These are people who plan to get the job done but somehow never manage to complete it. Rather than dedicating efforts and resources to trying to convince these people, the optimal strategy is to help these people follow through their intention and convert it into action. Examples of these include interventions that make it easy for people to act on their intentions- for example, auto-enrolling people into retirement plans (Beshears et al., 2008) or changing the defaults on organ donation forms to increase consent rates (Johnson & Goldstein, 2003).

Heuristics

Heuristics refer to mental shortcuts that people use in making decisions. When people are confronted with decisions that require copious amounts of complex information, and they do not have either the motivation or the ability to process it, they look for simpler pieces of information (cues) that they believe will help them make the right decision (see Hogarth, 1981; Tversky & Kahneman, 1974). For example, rather than making a detailed assessment of (sometimes ambiguous) contents, a manager might believe that an employee who took a long time to produce a report did a more thorough job than another employee who took less time; this manager would be using the duration heuristic to make judgements about the quality of the work (Yeung & Soman, 2007). As another example, the representativeness heuristic suggests that people tend to use features that are typical of a certain group to make inferences about the quality of a member of that group (Tversky & Kahneman, 1983).

Categorisation is a pervasive phenomenon in human behaviour (Rosch, 1999). People tend to categorise other people, objects, products and entities more generally in order to make sense of the world. Categorisation, like any other heuristic, is functional because if we did not resort to it, we would need to make judgements about every single entity that we came across and this would be cognitively prohibitive (Anderson, 1991). Instead, we try and assign every entity into categories and ascribe to the entity features of the category that they now belong to (Bodenhausen et al., 2012). For instance, a

recruiting manager could categorise a prospective applicant based on the fact that they came from a particular University, their past experience, or, even more damagingly, as a function of their ethnicity or country of origin. This can result in a counterproductive behaviour known as stereotyping (Allport, 1954).

Another well-documented heuristic is the so-called availability heuristic (Tversky & Kahneman, 1973), which suggests that instances of information that come more readily to mind are overweighted in our decision making. For instance, people are likely to believe that there are a significantly large number of deaths in automobile or plane accidents relative to natural causes because instances of automobile or plane accidents are much more easily retrieved. After all, newspapers are replete with examples of catastrophes but do not carry stories of people that died of natural causes.

Though functional, heuristics can often result in negative consequences in the human resources domain. For example, it might result in an overgeneralisation from a small number of personal experiences. Consider a recruiting manager who had success with hiring candidates that had a degree from a particular University, or that had previously worked for a certain organisation and might. This manager might favour candidates from the same university or organisation. Similarly, we might also assume that the evidence that is presented on a resume or in a cover letter is more important (and perhaps the only piece of information that we should be looking at) rather than recognising that there might be additional relevant information that should be considered. This behaviour is an example of what is called the completeness principle, the idea that people accept problem statements and information framing exactly as they are presented to them without perhaps questioning whether there are alternate frames or other evidence that they should be looking at.

Heuristics might also get HR managers to overweight information that is more easily accessible. In an academic interview, for example, a candidate who smartly answers questions might get preference over another who was thoughtful and did not appear as smart, but who had written more academic papers because the 'answering question' cue was salient relative to the number of published papers cue.

Another cognitive phenomenon that might have implications for judgements made by HRM managers about others is appraisal-based decision-making (Yeung & Wyer, 2004). Imagine that you are looking to buy a new car or a pair of shoes. A well-reasoned comprehensive decision would involve looking through a lot of information on multiple attributes from a very large number of products. Instead, we might base our judgement on salient cues and then go and seek in-depth information about a very small number of options. People could make appraisals—snap judgements of products—and then only seek further information on options with a favourable appraisal. Finally, a favourable appraisal could also change the interpretation of the available information to make it appear more positive (see Russo, 2015). Note here that the term 'appraisal' is used to mean snap-judgements, often based on visual liking or other surface features and should not be confused with the performance appraisals that HRM routinely makes.

While the preceding paragraph provides examples in the domain of consumers choosing products, it is easy to see how the same account might hold in the domain of HRM choosing between job candidates or candidates for promotion.

Nudge and Sludge

Since we know that human decision-making depends on the context and that the choices that people make might be different as a function of context, we could also help people make better choices by changing elements in the context to steer them towards the appropriate choice (Thaler & Sunstein, 2008). In general, contextual factors that make it easy for people to get something done are referred to as a nudge (see Ly et al., 2013).

However, sometimes contextual factors can collaborate with human tendencies like procrastination and the status quo bias to create the opposite effect—to make things particularly difficult (Soman et al., 2019). Imagine that an employee is trying to complete paperwork to move from the existing insurance plan to a different one. This employee has been meaning to change their insurance plans, but has procrastinated because other things have kept them busy. When they start completing the paperwork online, they realise that they have to now get a password for the new insurance provider so that they can complete the process. Because of privacy considerations, unfortunately, the password can only be sent through regular mail. The employee, having mustered self-control and motivation to sit down and get this job done still fails at the last hurdle, because they now have to wait for the new password to arrive in the mail. When it does eventually arrive, they have lost the motivation to complete the task. This employee has just been a victim of sludge.

Sludge can arise from three different sources. The first is simply clunky and inelegant processes. Sometimes a process for getting approval for sabbatical leave or to apply for a training programme might involve multiple signatures/multiple forms and several steps, each of these signatures or steps represents an opportunity for things to fall through the cracks. Standardised and elaborate processes work really well if they are automated, but the more steps they have that are human dependent, the greater is the potential for sludge.

When we design processes, we need to acknowledge that the humans that drive those processes are, after all, human! They might forget or procrastinate or somehow fail to help themselves or the employee in their task. This failure is not intentional; it is often not the case that a human resource manager is actively trying to impede an employee in going on a sabbatical leave but because the process has been designed to have multiple drop off points and is reliant on a human to ensure that those drop-offs do not happen, mistakes unfortunately happen.

A second source of sludge is communication. Sometimes communication is incomplete, while on other occasions it is comprehensive. Incomplete communication results in a flawed understanding of what needs to be done to accomplish the task, while overly comprehensive communication runs the risk of confusing the employee who then decides not to engage at all.

A third source of sludge relates to emotions like embarrassment or stigma. Consider an organisation that had rolled out a strong and compelling accommodation programme for employees with special needs. However, in order to qualify for the benefits in this programme, the employees needed to self-identify themselves as disabled. The choice of the word 'disabled' was particularly unfortunate because many employees who would have qualified for the programme felt that they might be stigmatised or otherwise unfairly treated if they self-identified as disabled. Likewise, many people who should and could access mental wellness and mental health initiatives often do not do so because they might feel stigmatised. The manner in which the forms for signing up for these programmes were designed created emotional barriers that resulted in sludge and in people not signing up.

Using Behavioural Science in HR: Some Illustrative Examples

The Pitfalls of Interviews

Job interviews have been used as instruments to make judgements and decisions about hiring. There are different forms of interviews—technical interviews attempt to understand the candidate's technical skills, structured case-based interviews are used to determine their ability to navigate specific situations, and free-form unstructured interviews are used to get to know job candidates and their personality and

to assess fit with organisational culture. Interviews of the free-form type are becoming increasingly popular in other domains as well, in particular, admissions offices at universities or internship applications for MBA programmes. However, a considerable body of evidence suggests that free-form interviews have limited, if any, validity (cf., Highhouse, 2008).

Behavioural sciences suggest that not only might interviews not be helpful, but in some situations—when they provide salient cues that might be negatively correlated with success—they might actually hurt. It is possible that interviewers formed snap judgements, appraisals about candidates on the basis of features that were perhaps not relevant to the task for which they were being hired. Alternately, they might simply ignore the complex information and rely (erroneously) on the simple cues gathered from the interview. These appraisals then changed the way in which they interpreted the information that was presented to them. In one study conducted by Dana et al. (2013), participants interviewed other participants and also had access to other data (course schedules, past performance) and then predicted their performance for the following semester. Additionally, each participant also predicted the performance of another student solely on the basis of the 'other data' (but no interview). Results showed that performance predictions were significantly more accurate for the students that they did not interview, suggesting that interviews had been counterproductive; in particular, not only did interviews not help, they actually hurt.

These results and the results of many other studies suggest that we need to rethink the validity of interview techniques as a recruitment device. A second consideration to think about is the fact that we now know that there is considerable heterogeneity across people—applicants to a job might vary in terms of learning styles, how they best communicate, and whether they are spontaneous or thoughtful. The emphasis on a standard interview template might therefore unnecessarily disadvantage some candidates.

Note that I am not suggesting that we completely do away with interviews; however, a careful analysis of implicit decision-making and judgement processes by interviewers would be helpful in determining whether, how, and in what format interview should be conducted. For instance, if in-person interviews are shown to be not valid further research could examine whether the same interview conducted digitally or on the telephone has similar counterproductive outcomes.

Diversity and Inclusion Initiative

A large literature has shown that despite stated attempts at trying to improve diversity and inclusion in the workplace, many organisations still fall short (Chang & Milkman, 2020; Kang & Kaplan, 2019). In one particular study, science professors rated male applicants for a science lab position as significantly more competent than female applicants that had the same basic profile (Moss-Racusin et al., 2012). Both male and female science professors offered male applicants more money and they were more willing to offer mentorship to men.

It is unlikely that any of the employers were deliberately trying to disadvantage women applicants, but these outcomes could occur due to stereotyping (He et al., 2019). Stereotypes are mental shortcuts that enable us to process information quickly, though as discussed earlier, this could come at the cost of accuracy. Research has shown that stereotypes could be formed through beliefs and not necessarily through data. Common stereotypes include gender stereotypes (the belief that men are more competent than women at certain jobs) or ethnic background stereotypes (the belief that people from certain ethnic backgrounds have skills that members of other ethnic backgrounds do not).

How can research from the behavioural sciences help us mitigate the effect of some of these stereotyping and appraisal biases and allow HR managers to make better decisions? The first strategy

relates to eliminating salient yet potentially misleading cues. Dana et al. had found that not having salient cues makes it more likely that participants in their experiment focus on the relevant data and make decisions more rationally. In the context of hiring, this would suggest that one way of eliminating the effects of gender or ethnic bias is to simply eliminate cues that might provide information about gender and ethnicity.

In one compelling demonstration of the effect of blinding, Goldin and Rouse (2000) showed that the number of women recruited to large American orchestras increased as the orchestras adopted a blind audition process. Rather than having musicians perform on an open stage in the presence of talent scouts, these orchestras asked the musicians to play behind screens, making it impossible for the talent scouts to see the performer. The absence of any cues about gender or other forms of diversity increases the likelihood that they focused only on the relevant information (in this case, the quality of their performance) and increased diversity in orchestra hiring. In a similar vein, BEapplied (www.beapplied.com), a recruitment service provider firm specialises in providing application and recruitment solutions which remove the opportunity for ethnic or racial biases by eliminating the salience of the potentially distracting cue.

However, it is important to remember that simply hiring a more diverse workforce is not the answer to sustained diversity. Diversity needs to be maintained throughout the tenure of the employee within the organisation. This means that similar techniques should be applied for promotion and related decisions of assigning the employee greater responsibility throughout their careers with the organisation.

Another series of findings in the behavioural sciences that could have relevance is the research on joint versus separate evaluation and decision making (Hsee et al., 1999). Consider the following example. Suppose an ice cream vendor offers two options: A has 8 ounces of ice cream in a 12-ounce cup, while B has 7 ounces in a 6-ounce cup. A has more ice-cream, but B dominates on an irrelevant and salient visual cue (looking full). When consumers view each option independently, the supposedly irrelevant cue of whether it is overflowing or not plays a significant role in that evaluation. However, when the two options are presented side by side, consumers readily see that the first option offers a greater quantity of ice cream. In particular, these researchers concluded that side by side comparisons tend to increase a focus on the relevant attribute and reduce the impact of potentially irrelevant attributes.

I propose that something similar would happen in hiring decisions. Imagine one candidate who is from a disadvantaged group but with greater competency in math, and a second one who is from an advantaged group but with a lower competence in math. Presenting these two candidates side by side will focus attention on the math competency, and it would be relatively easy to see that the disadvantaged candidate does better on the more relevant attribute. Therefore, encouraging side-by-side comparisons will go a long way in reducing any effects of stereotypes.

While it is important to be diverse in hiring and promotion decisions, it is also important to recognise that different people engage differently with their colleagues and with the organisation. Sometimes, sludge can present itself in the most unexpected of places to pose challenges for inclusion.

Groups within many organisations tend to form their own subcultures and rituals. In a hypothetical sales organisation, for example, team members in a particular division get together routinely for a drink every Friday after work. While attendance at these events is not mandatory, and while attendance in theory does not impact the success of any employees, we know from research and psychology that informal networking can have effects on downstream decisions (Krackhardt & Hanson, 1993). Regular attendees are seen as more of a team player and as supportive of each other in the team. However, given the timing of this ritualistic weekly get-together, single parents might not be able to attend. As a result, single parents are disadvantaged and might feel marginalised, and are then considered to not be 'team players'. This insidious sludge poses a challenge to inclusion, and while these practices may not constitute a formal violation of any HR policy, they are damaging to the organisation.

A behavioural lens on group rituals suggests that it might be important from a human resources perspective to think through all possible consequences of such rituals. In particular, if they tend to disadvantage a certain type of employee within the organisation, there should be a recommendation to either eliminate the ritual or to replace it with something that is more inclusive.

Making Processes Human Friendly

As discussed earlier, last-mile challenges exist because we tend to design processes for econs when in fact the consumers are human. One obvious implication for human resource managers is to therefore audit all of their processes and touchpoints to make sure that there are no unnecessary steps, that the communication is at the appropriate level of detail, and that the way in which websites are designed, the terminology is used, and forms are prepared does not involuntarily induce any emotional sludge in the process.

Designing Incentive Programmes

One key task performed by many HR departments is to design incentive programmes to create and motivate employees to improve productivity. Incentive programmes are most prominent in sales organisations but are also found in other forms of organisations. Common examples of incentive pay plans might include profit-sharing plans, a performance-based incentive plan, team incentives, or spot awards and recognition on achieving different levels of accomplishment. There is a wealth of research from the behavioural science that can inform the design of these programmes.

One key finding that has relevance for the design and delivery of incentive programmes relates to the so-called framing effect- the idea that the same information presented differently could have different effects on human behaviour. In one field experiment in a manufacturing facility in China, employees were offered a performance-based incentive (Hossain & List, 2012). In particular, each employee had a productivity target for the day, but if they reached a higher target, they would receive an extra ¥320 in pay. In the context of this incentive plan, information was presented to employees in one of two ways. Some employees were told that if they increase their productivity to a higher level, they would get the extra ¥320. Another group was promised the extra ¥320 for reaching the higher productivity level but told that if they failed to reach that level, they would lose the ¥320. Results showed that people in the second group were much more likely to show an increase in productivity. This was because the incentive of ¥320 presented as a loss had a significantly larger psychological effect than when it was presented as a gain (Kahneman & Tversky, 1979). Other researchers have studied the effects of decreasing incentive schedules on productivity and other forms of output. There is a treasure trove of research in the behavioural sciences that can inform HR managers on how to design and communicate incentive programmes.

Improving Training and Communications

Behavioural sciences offer a number of specific suggestions on how communication can be better improved to increase comprehension and to facilitate action. In one demonstration, researchers experimentally changed the way in which communication was drafted to encourage employees to avail of a flu vaccination programme (Keller et al., 2011). Every participant received a standard message that contained the following introduction, 'We would like you to imagine that you are interested in protecting

your health. The Center for Disease Control indicates that a flu shot significantly reduces the risk of getting a flu virus. Your employer tells you about a hypothetical programme that recommends you get a flu shot this fall and possibly save $50 off your bi-weekly or monthly health insurance contribution cost'. After this basic introduction, there were three variants of the email message. In one condition, participants were asked to place a check in a box if they will get a flu shot this fall. In a second condition, respondents were asked to place a check in one of the following two boxes: I will get a flu shot this fall, or I will not get a flu shot this fall. In a third condition, participants were asked to choose between two options: I will get a flu shot this fall to reduce my risk of getting the flu and to save $50, or I will not get a flu shot this fall even if it means I may increase my risk of getting the flu, and I do not want to save $50. Results showed that while only 40% of employees who intended to get a flu shot in the first condition, that number increased to about 61% when they were explicitly asked to make a choice between getting or not getting one and further to about 75% when the benefits of getting the flu shot and the cost of not getting the flu shot were highlighted. These changes were achieved simply by changing the language of email communication. Likewise, research has shown that sending participants reminders, especially if those reminders are behaviourally informed (e.g., providing a link to a task that needs to be completed) increases the likelihood that employees will finish the task. Elsewhere, researchers have shown that making communication simpler, chunking information, making it action-oriented, and including implementation prompts increases its effectiveness (see Soman, 2015 for example).

In the domain of training, research in domains as diverse as financial wellbeing (Soman & Mazar, 2012), implicit bias (Chang et al., 2019), and managerial decision making (Milkman et al., 2009) has shown that merely educating people does not guarantee better outcomes. Education should be just-in-time, should incorporate practice and learning from feedback, and be complimented by prompts to encourage follow-up action if it is to be effective. This rich literature has implications for the design and delivery of training programmes within organisations.

Towards a Behaviourally Informed HRM Function

While HRM is perhaps the one place in any organisation, which is primarily dependent on the success of human-to-human interactions, it might also be an area that doesn't adopt evidence-based behavioural science research in designing policies and programmes. Other areas within organisations have been successful in routinely using the insights from behavioural science. For example, marketing departments in many organisations now use randomised control trials or A/B trials to test for the effectiveness of behavioural interventions, such as changes in communication, changing defaults, or changing the framing of communication on the behaviour of their customers. And governments around the world have also been quick to embrace behavioural sciences in designing programmes and policies that span the spectrum from welfare, tax, privacy, health, and environment and conservation (see Soman & Yeung, 2021, for an overview). Given that other types of organisations have been successful in adopting behavioural science, I am confident that human resource management departments will also see the value of using behavioural science and begin to embrace it.

In addition to simply relying on findings from the behavioural sciences, I also believe that it is important for HRM departments to fully embrace the scientific method and adopt a behavioural mindset. In particular, this calls for a rigorous evaluation and testing of different ideas, embedding of behavioural science in the design of policies and procedures, and ongoing testing to make sure that the programme remains relevant and compelling, and that no sludge has built up in the system.

Human resource managers often deal with complex enterprise-wide challenges. These might include building engagement, creating a culture of innovation, making the organisation more welcoming and inclusive, being seen as a fair and transparent workplace, and—eventually—being recognised as an employer worth working for. These might each seem like lofty and complex challenges, but can all be decomposed into very specific behaviours that need to be changed.

By building a culture of taking complex outcomes, breaking them down into specific behaviours, identifying the behaviour change challenge and the friction that impedes the behaviour change, building interventions based on science, and testing them before implementing and scaling, human resource management could be the next frontier to successfully learn from, harness and embed behavioural science into its operations.

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Bio-sketch

Dilip Soman holds a Canada Research Chair in Behavioural Sciences and Economics and is the Director of the Behavioural Economics in Action Research Centre at the Rotman School of Management, University of Toronto.