

Expert Roundtable on Business, Human Rights and Behavioral Science: A Summary Report

Overview

As part of the [Valuing Respect](#) project, Shift convened an expert roundtable on April 24, 2019, to explore **the ways in which behavioral science can be better leveraged in the business and human rights field to inform the design and evaluation of business efforts to respect human rights**. Participants included behavioral scientists from academia, private organizations, and government behavioral insights units, as well as business and human rights practitioners (some of whom have already been seeking to apply behavioral science in their work). Participants are listed, with their agreement, at the end of this note. **The event was informed by a [discussion paper](#), and held under the Chatham House Rule**. The session was kindly hosted by Unilever.

Part One of this report reflects some of the key concepts from behavioral science that were shared throughout the meeting. This provided context for a discussion of the potential application of these concepts in the context of business and human rights. Participants highlighted that behavioral scientists:

- see their work as **one tool among many others** (e.g., regulation, incentives and norm development) capable of unlocking new ways of working;
- commonly refer to two different ways in which people think that are critical to understand when designing any intervention – **System One or Fast Thinking** and **System Two or Slow Thinking**;
- use some **simple frameworks** that can inform how we design and evaluate interventions;
- pay attention to the common **biases and motivations** that inform human behavior and decision-making;
- use various forms of experiments to **investigate the causal connection between treatment and outcomes**.

Part Two elaborates on the following business and human rights implementation challenges that participants believed could benefit from applying behavioral science approaches:

- **making human rights training aims easy, attractive, social and timely**;
- **building respect and empathy**;
- **influencing specific business decisions such as procurement or corporate lending**;
- **creating a speak-up culture, and enabling bad news to surface**;
- **increasing grievance reporting**; and
- **addressing situations in which human rights are at odds with established local norms**.



The Shift team will reflect further on these discussions and consider what role we could play, alongside others, in advancing some of the ideas and proposals that were raised at the meeting.

Part One: Key Behavioral Science Concepts

One additional tool to drive positive change

The behavioral science experts in the meeting all commented that behavioral science is not a panacea to solve every human or societal challenge. It is, however, one tool among many others (e.g., regulation, incentives and norm development) capable of unlocking new ways of working. Furthermore, behaviors are often the missing link we do not focus on. One participant suggested we “***think about these behavioral science tools as a light switch. The switch makes the lights go on. It doesn’t provide power; it just completes the circuit and allows power to flow.***” Others made the point that our influence on people’s behaviors is never neutral, though it may be unconscious. So behavioral science can also help make our current choices and influence explicit.

The idea of “nudging” behaviors is sometimes characterized and critiqued as tweaking a system or playing around the edges of systemic problems. Behavioral scientists make the point that **demonstrating how to shift what people actually do (versus what they say they will or should do) can be a path to scalable change** in some complex public policy, environmental and social challenges. Participants also noted that “nudges” should be used to positive effect: any application aimed at purely commercial gain is referred to as “sludge” and is discouraged by the profession. Finally, in order to avoid behavioral science tools being a form of manipulation, there are some clear ethical guidelines that must be adhered to.

Being clear on which thinking system we are designing for

One expert underlined the importance of understanding the two different ways in which people think when designing a behavioral intervention. First, **System One thinking which is fast, intuitive, and effortless** (e.g., a daily commute or simple arithmetic.) **System Two is characterized by slow thinking. It is reflective, deliberate and involves purposeful analysis** (e.g., taking a new journey, or trying to do long division.)

The point was made that behavioral science is not about judging the value of each system. However, **policy makers, leaders of organizations and advocacy groups need to avoid designing programs with only one type of thinking in mind.** For example, complicated and dry guidance material about following a new policy in the context of a specific business decision can overlook that individuals are in fact using “system one” when making the decisions in question.

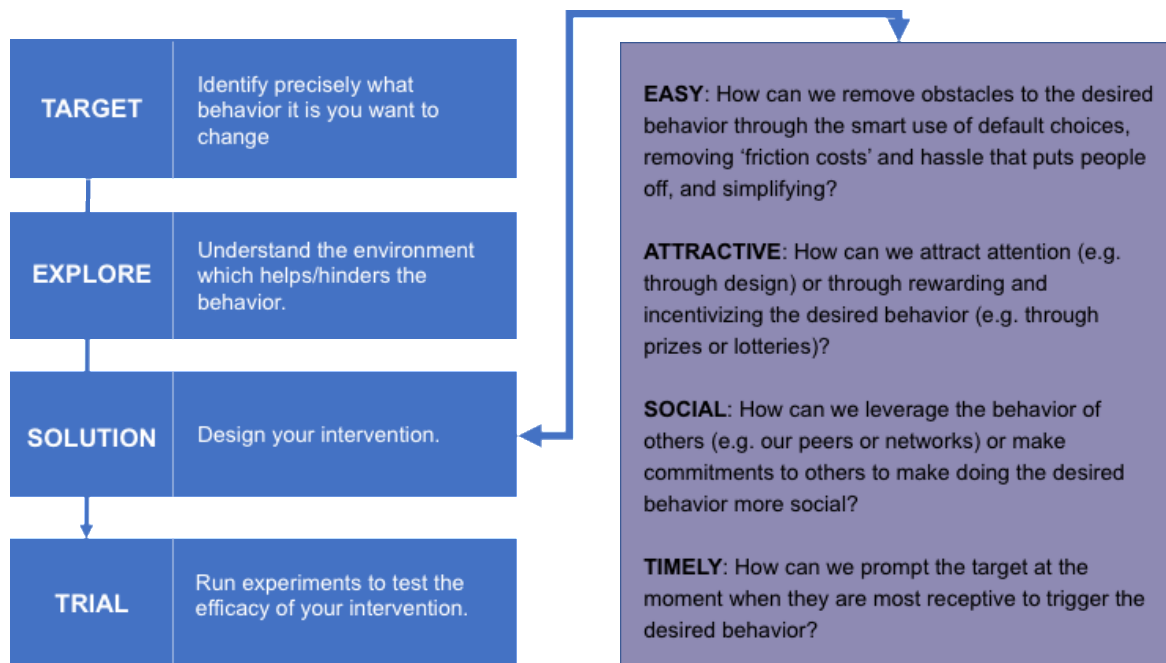
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Valuing Respect is a global collaborative platform, led by Shift, to research and co-create better ways of evaluating business respect for human rights. Our aim is to develop tools and insights that can help both companies and their stakeholders focus their resources on actions that effectively improve outcomes for people. Valuing Respect is generously funded by the Ministry of Foreign Affairs Finland, the Norwegian Ministry of Foreign Affairs, and Norges Bank Investment Management.

Equally, we might design for system one assuming our target audiences have all of the requisite background knowledge to guide them to intuitive decisions and actions. This can often happen when we assume others have the same knowledge as we have – “I am an expert in this area so everyone must know this information”. Or we might need to address biases (for example around gender or race) that are baked into our system one thinking, either designing to circumvent the system one response or by slowing thinking down and forcing system two to kick in.

Simple frameworks to guide intervention design

One presenter noted that behavioral scientists have distilled extensive research and observations about human behavior into some simple frameworks that can inform how we design and evaluate interventions. They provide clear prompts to help us “think behaviorally”. There are variations, but a commonly used framework that was presented is the TEST and EAST approach depicted below, developed by the UK Behavioral Insights Team.



Evidence points to recurring biases and motivations

Experts in the meeting shared examples of bias and motivations that can underlie human behavior and decision-making. For example, the **status quo bias** is our tendency to stick with the norm of how things are currently done; the **default bias** refers to how we tend to go with the choice or setting presented to us; while the **overconfidence bias** which often happens in planning (e.g., overestimating how many people will do something or when they can do it by) or through underestimating the scale or prevalence of a problem. One expert addressed motivations by positing an ACE framework: **Accuracy Motivation (we want to make quick, efficient decisions); Connection Motivation (we want to gain approval of others)** and **Ego Motivation (we want to feel better about ourselves)**.

The discussion highlighted that an important factor in the context of business and human rights challenges are **the dynamics that occur when we are seeking to address individuals' behavior in an organizational context**. One expert commented that the same over-arching behavioral science principles and approaches hold true, though with some additional insights. For example, a common problem might be apathy due to **"diffusion of responsibility"** whereby individuals feel they don't need to worry about a certain unethical behavior because someone else surely will; or **"moral licensing"**, whereby individuals may conclude that since their organization does good things for society in one area, it is fine if they do not address concerns in other areas. Other participants flagged the **critical role of immediate supervisors (often in middle management versus at C-Suite level)** in modelling desired behaviors to address the "social" aspect of the EAST framework.

Experiments to evaluate what works are not necessarily costly and time-intensive, and can take many forms

The behavioral science experts reinforced that a significant part of behavioral science is engaging in rigorous evaluation, i.e., **investigating the causal connection between "treatment"/interventions and outcomes**. The "gold standard" in evaluating whether interventions cause change are Randomized Control Trials (RCTs) where a control group (receiving no intervention) is compared against a treatment group (receiving the intervention), keeping all other variables constant, to understand the impact of the intervention. One participant referenced an RCT run by Best Buy to ascertain the effectiveness of a training intervention in their supply chain. A participating expert made the point that, whatever the approach, experiments **need not necessarily be expensive or require huge amounts of time**.

The specific detail of an experiment can vary, depending on the nature of what one wants to evaluate.

Furthermore, experiments might be conducted in the field or in labs. The upside of field experiments is that they can build a genuine evidence base with real-world validity for whether the intervention works. On the other hand, in a lab it is



far easier to control for other factors that might influence behavior, but there is a level of artifice to the situation, and one has to extrapolate back to the real world.

Part Two: Applying Behavioral Science to Business and Human Rights Problems

Against this backdrop, participants identified some common business and human rights problems in which it appears behavioral science approaches could be of significant help. The following provides a short overview of these discussions.

Making training goals easy, attractive, social and timely

The business practitioners in the room reflected that all of their companies invest time and resources in some form of human rights training (whether online or in-person) for all employees or certain functions, or for business partners. Participants discussed the common challenge that while employees, contractors or business partners might take on board new knowledge during the training, very little attention is given to how to evoke the new knowledge when it is most relevant in practice.

The conclusion was that the design and evaluation of such training could benefit from applying behavioral science approaches. Some participants shared how they are already being informed by behavioral science in their work. One example connected to the “timely” aspect of the EAST framework was the use of reminders for security providers about human rights training. This was provided on trays in the cafeteria at meal times just before security teams would patrol the surrounding area and engage with community members. Another example was the use of the company intranet to enable different operating sites to see how they and others were performing in relation to community incidents, using a standard score-card. Participants noted that this connected well with the “social” aspect of the EAST framework.

Building respect and empathy

A recurring point of discussion was the need for those in positions of power to treat people with respect if the business as a whole is to embed respect for human rights. Examples included factory managers not shouting at or intimidating workers, or site engineers not dismissing concerns of indigenous groups. To address such situations, companies could benefit from applying lessons from behavioral science. One participant spoke about the importance of language. For example, if people are referred to as “labor” they soon become treated as commodified units, not people. Others referred to experiments showing that when individuals are praised and treated positively by their superiors, they tend to transfer that positive behavior to those that report to them.

Participants also identified that many of the people adversely impacted by company activities can be distant from

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decision-makers. This includes mistreated workers multiple tiers removed in a company's supply chain, or local communities experiencing loss of livelihood or disease due to the downstream pollution of a nearby river. Participants discussed the insight from so-called "identifiable victim" experiments, whereby individuals give more to charity when there is single real person they can help versus broad, high-level data about the scale of a given problem. This would suggest that connecting decision-makers to specific individuals who could be affected by their decisions may make a difference in their choices. This was seen as one of a number of potential ways to influence and test company efforts to build empathy among decision-makers.

Influencing specific business decisions

One behavioral scientist commented that an important distinction exists between, on the one hand, a behavior that we want to instill and sustain over time, and on the other hand, one-off business decisions we are trying to influence. Examples of this latter category in the context of business and human rights might be a site-level decision to suspend operations, the purchase via a computer terminal of a certain commodity, a decision to flag a prospective lending client or acquisition target as requiring more human rights due diligence, or the mutual sign-off of the price, specifications and delivery time of a manufacturing order by a buyer and seller.

Behavioral science tells us that, among other things, the format and order by which information is presented to us can have a significant effect on our choices. Furthermore, this "choice architecture" is never neutral and in a business context often may be designed to maximize revenue or minimize costs. Behavioral science might offer us tools, in the form of defaults and prompts, to adjust decisions to be more rights-respecting. An example of such a social prompt is doctors being told (at the point of prescription) that a low percentage of their peers had prescribed antibiotics for a similar set of symptoms, which in turn reduced the over-prescription of antibiotics significantly. An example from business and human rights, in the context of mining, is the default response to any major community concern about a new impact at one mine site being the head of Community Relations having the power of decision on suspending operations. This default resulted in operational staff engaging more actively with the community relations team, and more pro-actively seeking to avoid impacts that might have this raise community concerns.

Finally, the group had some discussions about the possibility of using behavioral science to influence consumer decisions that might impact their own human rights (e.g. around privacy) or may impact working standards in the supply chain (for example, the pressures on couriers that come from next- or same-day delivery demands).



Speaking-Up and Enabling Bad News to Surface

A key aim of conducting human rights due diligence is to surface situations where company practices do, or may, adversely impact human rights. A few company practitioners in the meeting made the point that there is often a need for this “bad” news to travel upward through an organization, and horizontally across diverse functions, in order for the company to address the issues effectively. However, participants recognized that developing a speak up culture in which bad news and problems are identified and shared can be challenging.

One behavioral science expert noted that it can be important to understand speaking up as a collective action problem. Many organizations have tried to use a mix of incentives, anonymity and training to overcome people’s fear of negative repercussions from speaking up, or perceptions that nothing will be done if they do so. Yet these efforts often fail to bring about the desired change.

However, there is evidence that more people will speak up if others do. “If everyone speaks up together, the organization as a whole benefits. If one person speaks up and others stay silent, that person suffers. The benefits of speaking up are therefore heavily dependent on the actions of others...” A good, recent example of this is the *#metoo* movement. In other words, the focus should be on enabling and collating multiple voices that raise a common concern, rather than on burdening individuals with the pressure and risk of speaking up.

Participants shared examples of organizations making as many individuals as possible aware of others raising an issue of concern, even while retaining anonymity. One example was the UK’s National Health Service. Every NHS trust must have a “freedom to speak up” person who has to collate related stories for an issue, and share them across the organization.

Participants also recognized that efforts to create a speak-up culture could be helpfully informed by the EAST framework. For example, one company sought to increase reporting of safety accidents, and specifically of near misses. The firm established a competition whereby the team that reported the most near misses would win a prize, being sure not to incentivize accidents. Furthermore, if someone reported their colleague’s unsafe behavior, their colleague would not be disciplined for it. But if their manager reported the issues, they could be penalized. The result was that reporting on near misses within the team meant your colleague would not be penalized and your team could win the prize for higher reporting. This is a good example of making a desired behavior easy and attractive.

This idea of seeing the sharing of problems and challenges as a collective action problem, and using the EAST model, was seen as potentially applicable in the context of business relationships. Behavioral science interventions might be used to enable bad news to travel from suppliers to buyers, or from franchisees to franchisors.

Increasing the volume of grievance reporting

Closely tied to creating an internal speak up culture is the challenge of workers and communities proactively using available grievance channels. One participant shared their experience of running a randomized control trial to evaluate the effectiveness a new intervention intended to increase grievance reporting by migrant workers on construction sites. The intervention was simple – providing all workers with cards or “tokens” printed with simple visuals about the types of complaints they might have, including around working conditions, housing, and food. Workers could submit these tokens to their representatives.

Among workers who received these simple tools, the number of complaints was 31% higher than the control group who did not. In relation to the substance of grievances, the experimenters noticed that once individuals had used the grievance system for relatively simple and day-to-day issues (like the lack of food choices for workers of their nationality), workers then began using the complaints channels for harder, more “taboo” issues.

A key takeaway was that small changes (e.g., providing a simply-designed token) led to a significant increase in the number of complaints, while the greatest value arguably lay in surfacing qualitatively more serious issues that could then be dealt with for the benefit of all. Reaching a situation of 100% of people who have complaints always reporting them may not be a necessary goal.

When human rights are at odds with established local norms

A number of participants reflected that a key challenge facing global companies is promoting international corporate policies and human rights expectations to employees, peers and business partners around the world. These overarching standards might conflict with certain local norms, which may be a function of national culture (e.g., in some societies, raising bad news is frowned upon), of local law (e.g., freedom of association being illegal), of a sense of necessity (e.g., children going to work instead of school) or simply of how business gets done (e.g., deals done during leisure activities from which women are excluded).

From the perspective of behavioral science, there may be opportunities to identify a specific desired behavior change in such situations, and to use the EAST framework and other tools to enable change at scale. One participant shared an intervention that led to a significant increase in women applying and interviewing for jobs in Saudi Arabia. In a country where women need the permission of their husband to work, the intervention simply involved informing young men that, based on a previous survey, the vast majority of men their age support female labor force participation. Wives of men who received this information were significantly more likely to apply and interview for a job outside the home. Notably, no one changed the law or societal structures, but the provision of privately held preferences, contrary to the local norm,



socialized a new set of preferences and led to better outcomes for many women. In the domain of business and human rights, behavioral science tools might in similar ways illuminate avenues for wide-spread change and positive human rights outcomes around issues that are perceived as intractable.

Next Steps

The Shift team will reflect further on these discussions and consider what role we could play, alongside others, in advancing some of the ideas and proposals that were raised at the meeting.

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