



4 WAYS TO CHANGE EMPLOYEE BEHAVIOR

WHAT LEADERS NEED TO DO TO HELP PEOPLE CHANGE BEHAVIOR AND
IMPROVE THEIR PERFORMANCE

By IMD Professor Shlomo Ben-Hur, with Nik Kinley – April 2015

IMD
Chemin de Bellerive 23
PO Box 915,
CH-1001 Lausanne
Switzerland

Tel: +41 21 618 01 11
Fax: +41 21 618 07 07
info@imd.org
www.imd.org

When it comes to changing people's behavior, there is no shortage of things for managers to try. They can give suggestions, they can offer cash bonuses, they can yell. They can assign coaches, implement 360-degree feedback, or take employees on outdoor team-building excursions. They put up inspirational posters, set stretch targets, and create Individual Development Plans.

All of these things are part of the manager's "toolkit", and all of them can be effective in helping to change the way employees behave. What managers generally lack, however, is an understanding of the *mechanism* of behavior change underpinning these different techniques. Without this perspective on how and why these interventions work to produce change, it's difficult to know which to use, how to evaluate their effectiveness, and when to try something different.

In our newly published book, [*Changing Employee Behavior: A Practical Guide for Managers*](#), we examine four of the most prominent psychological models to emerge over the past 100 years to explain how behavior change works: behaviorism, cognitive psychology, systemic psychotherapy, and behavioral economics. While the majority of the book is concerned with specific techniques for changing behavior and how to apply them effectively, the approaches are grounded in these views of how change happens.

Behaviorism

Psychology has only really existed as an academic discipline since the 1880s and was dominated in its early years by a focus on people's descriptions of their own thinking processes. Beginning in the 1920s, a new school of psychologists sought to apply a more "scientific" approach, arguing that psychology should only study *behavior*, which could be more reliably measured than thoughts and feelings. These Behaviorists, as they came to be known, argued that we should stop worrying about how people feel and focus instead on what they actually do. They used the words *stimulus* and *response* to describe the causes and effects of certain interventions and showed how actions could be "conditioned" by repeated exposure to certain stimuli. The resulting model of behavior change is thus quite simple: when we do something that produces a positive outcome, such as a reward, we are more likely to do it again, whereas if something produces a negative outcome, such as a punishment, we are less likely to do it again. Over time, these habits are internalized to produce lasting changes in behavior.

Cognitive Psychology

By the 1940s, the tide of academic psychology began to turn away from a singular focus on behavior towards how thoughts and intentions influence actions. This approach, known as cognitive psychology, is still the dominant approach used today. Cognitive psychology sees behavior as the result of deliberate and conscious thinking processes. Although it recognizes that our thinking processes are not always effective, it does largely see us as rational, thinking beings. The implication is that we can help people change their behavior by influencing or changing these thinking processes.

When attempting to change or prevent undesirable behavior, the focus of this approach is on helping people recognize when their thinking is negative or unhelpful for them. Alternatively, when seeking to promote new behaviors, the focus is first on motivating people by helping them to think about the benefits of the behaviors, and then on helping them to plan when and how to behave in the new, desired way. Approaches such as therapy and coaching as well as development programs focused on issues such as self-confidence, attitudes, and development planning are all based on a cognitive psychology approach.

Systemic Psychotherapy

Largely ignored in the previous two approaches are factors outside the individual that can exert significant influences on how they behave, such as relationships, groups and social systems. This "external perspective" is the focus of a third approach that emerged in the 1980s as a method of therapeutic treatment known as systemic psychotherapy.

A systemic approach focuses attention on factors in an employee's current situation which might cause them to act in a certain way. It may be that the structure, processes or culture of their team – or how they perceive these things – is affecting their behavior. Interventions might therefore seek to change elements of this system or how the individual thinks and reacts to them. The emphasis of

systemic psychotherapy is not on changing the individual or the environment but on changing the relationship and interaction between the two.

Behavioral Economics

The final approach we consider is the relatively recent academic discipline known as behavioral economics. One could say that economics is the study of the choices and decisions that people make. In neoclassical economics, humans are assumed to be “rational actors” who consider all the information available and make choices to maximize their individual welfare. What behavioral economics adds to this picture is a more realistic understanding of how people *actually* make judgments and decisions, including the many biases and cognitive shortcuts that make our behaviors less than fully rational. The application to behavior change is straightforward: if we know that people tend to make decisions in certain ways, we can use this knowledge to try to influence and improve the choices they make. Behavioral economists pay particular attention to *choice architecture* – presenting information and options in a certain way that ‘nudges’ people to make the best choices for themselves.

One insight of behavioral economics, for example, is that people generally tend to go along with “default options” and avoid actively making a choice. This knowledge can be used, for example, to create business planning templates that embed ambitious “stretch goals” as default options that subtly nudge attitudes and behaviors in a desired direction. Behavioral economics combines elements of the other three approaches and adds a little something of its own. It takes the use of incentives from behaviorism, the focus on how we think from cognitive psychology, the emphasis on relationships and feedback loops from systemic psychotherapy.

All four models have something different and useful to tell us about how behavior change works. They are a bit like sunglasses, each providing a different tint or perspective on how the world looks. No single one is best, but a thorough understanding of these different perspectives can help managers choose deliberately and effectively among the assortment of options for changing employee behavior.

Shlomo Ben-Hur and Nik Kinley are authors of the new book [Changing Employee Behavior: A Practical Guide for Managers](#).

Shlomo Ben-Hur is Professor of Leadership, Talent Management and Corporate Learning at IMD, where he directs the [Organizational Learning in Action \(OLA\)](#) program. He also teaches on the following programs: [Advanced Strategic Management \(ASM\)](#), [Breakthrough Program for Senior Executives \(BPSE\)](#), and [Orchestrating Winning Performance \(OWP\)](#).

He will be leading a daily session on [how to change employee behavior](#) at [Orchestrating Winning Performance](#) (OWP), the unique global business program at IMD which takes place from June 21-26, 2015.

[Nik Kinley](#) is the Talent Management Director at the global leadership consultancy [YSC](#).

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