

Managers as Choice Architects: Bringing Behavioral Insights to Smaller Local Governments

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Research question and key outcomes

In recent years, leaders in major cities around the world—Philadelphia, New Orleans, London, Denver, Mesa, Arizona^{1,2,3}—have explored using behavioral science to design, test, and implement low-cost tweaks to reach major policy goals, from diversifying police forces to increasing compliance with tax payments. These adjustments—which can be as simple as changing the size of a mailing envelope, the language used in a meeting agenda, or the framing of information at a public meeting—are more commonly known as nudges.⁴ Nudges are inherently low-cost, piggybacking on the processes and communications that already are happening in local governments. Low-cost, transformative interventions are especially critical in 2021, as communities face a host of unfamiliar crises atop chronic problems that have left many strapped for key resources. Cost continues to impede innovation; for example, managers attempting to pursue sustainability—a contemporary example of innovation—overwhelmingly cite cost constraints as a key barrier.⁵ Unfortunately, stories of local government use of behavioral intervention often make nudges seem like an artificially resource-intensive opportunity available only via large city-major university partnerships supported by commitments of full-time staff time and expertise.

The goal of this research is to make high-impact nudges more accessible to smaller, lower-capacity local governments by re-envisioning the manager as a choice architect; a leader who can strategically choose from a menu of social, organizational, and political behavioral interventions to elicit positive behaviors in how individuals use public services, how department heads and staff work, and how elected officials and residents respond to innovative policies. The fellowship will support exploration of two research questions, which are paired below with key research tasks and outcomes:

What are key low-cost behavioral interventions that can be deployed by managers in smaller, lower-capacity local governments?

What are the best practices managers in these communities can adopt when deploying behavioral interventions?

The research will have impact across multiple Transformation Themes by helping managers optimally engage elected officials in prioritization and strategic planning efforts (*Creativity* theme), support strategic planning and visioning for community recovery and reimagination (*Leadership* theme), foster an innovative workforce to solve community problems (*Future of Work* theme), promote equitable redevelopment and restoration strategies (*Community Recovery* theme), and meet the public where they are (*Civic Infrastructure* theme). Importantly, these behavioral interventions have been shown to resonate cross-culturally: findings will be able to translate throughout the international local government management community.

¹ <https://bloombergcities.medium.com/behavioral-science-is-quietly-revolutionizing-city-governments-74615a0ec2f>

² <https://www.govexec.com/management/2019/09/nudge-city-using-science-improve-public-services/159973/>

³ <https://icma.org/documents/process-improvement-nudge-technique-mesa-az>

⁴ Thaler, Richard H., and Cass R. Sunstein. *Nudge: Improving decisions about health, wealth, and happiness*. Penguin, 2009.

⁵ <https://icma.org/local-government-sustainability-survey-results-show-progress>

Background

Behavioral interventions, more commonly known as nudges, have in the past decade found their way into the management of federal, state, and large local governments. These efforts have been cataloged, with their outcomes described and determinants of success parsed, in the quickly growing subfield of behavioral public administration in recent years.^{6,7} Behavioral public administration, taken broadly, recognizes that decision-makers and members of the public are susceptible to highly heuristic, biased reasoning that can be strategically influenced. With regard to local governments specifically trying to transformatively respond to crises, decision-makers often must choose between innovation and the status quo, and are often biased by their decision-making environment toward the latter. Thirty years ago, James March identified the tendency among those in public organizations—including local governments—to favor “exploiting old certainties versus exploring new possibilities.”⁸ This tendency has not abated, especially in smaller local governments. Because organizational and individual learning often rewards performance that is certain and short-term, adaptive processes—such as those needed for responding to a pandemic, deploying innovative infrastructure solutions, becoming broadband-ready, or dealing with the sharing economy—characteristically improve exploitation (the status quo) more rapidly than exploration (innovation). The allocation of resources among exploitative and explorative activities depends on the bounded rationalities of those working in and being served by local governments: how they acquire and use information, assign value to actions and outcomes, and heuristically select from among these alternatives.

Understanding and being attentive to this information-valuation-selection is essential to moving beyond the assumptions of perfect rationality—among residents, among elected officials, among staff—that continue to shape local policy decisions despite being shown to be highly unrealistic.⁹ We can think of the complex rationality individuals employ in a given decision-making situation as their latent choice architecture. Features of this architecture can be tweaked to ensure individuals pursue choices that align better with organizational goals and values—that promote equity, efficiency, and effectiveness. Managers are in a prime position to function as choice architects in local governments.

For this research, behavioral interventions will be categorized as political (directed at elected officials and the public to promote support for innovative policies), social (directed at users of local services to encourage changes in behavior), and organizational (directed at the practices of department heads and staff). Examples can be helpful. A social nudge can be seen at work in San Jose, where the city wanted to encourage residents to dispose for free of large items to ameliorate the problem of curbside blight.¹⁰ Environmental services staff created two postcards to mail to residents. One read “Do It The Right Way” and noted “The City of San José spends \$87 each time someone improperly disposes a large item.” The other read “You’ve Been Selected,” and simply stated, “You’ve been selected to receive a FREE large item removal.” Using a randomized controlled trial, the city found that the second postcard—which used a nudge known as pro-social messaging—was much more effective at eliciting compliance by residents. An organizational nudge was used in Chattanooga that also relied on messaging framing to promote police force diversification after other recruitment efforts had floundered.¹¹ A flier emphasizing the challenge of the job and career benefits, rather than community service, was more than twice as effective as a recruitment device. In my own 2019 work in smaller communities in southwest Virginia, a political nudge was deployed to overcome resistance to density in traditional downtowns, even when that densification would be compatible with strategic planning for

⁶ Grimmelikhuijsen, Stephan, Sebastian Jilke, Asmus Leth Olsen, and Lars Tummars. "Behavioral public administration: Combining insights from public administration and psychology." *Public Administration Review* 77, no. 1 (2017): 45-56.

⁷ Battaglio Jr, R. Paul, Paolo Belardinelli, Nicola Bellé, and Paola Cantarelli. "Behavioral public administration ad fontes: A synthesis of research on bounded rationality, cognitive biases, and nudging in public organizations." *Public Administration Review* 79, no. 3 (2019): 304-320.

⁸ March, James G. "Exploration and exploitation in organizational learning." *Organization science* 2, no. 1 (1991): 71-87.

⁹ Tversky, Amos, and Daniel Kahneman. "Judgment under uncertainty: Heuristics and biases." *Science* 185, no. 4157 (1974): 1124-1131.

¹⁰ This example is detailed here: <https://bloombergcities.medium.com/behavioral-science-is-quietly-revolutionizing-city-governments-74615a0ec2f>.

¹¹ This example is detailed here: <https://bloombergcities.medium.com/how-to-improve-police-recruitment-in-your-city-b741cfb89a9a>

capital improvements. Working with town managers during comprehensive planning and zoning update processes, we deployed a vividness intervention that recognized the bias individuals can have when required to imagine a concept like density in the abstract. Using a quasi-experimental pre-post comparison group approach with multiple interventions, we conveyed proposed density using floor area ratio and other text, two-dimensional images, and three-dimensional renderings. The latter intervention proved to be the most effective at changing resident views about density. These three examples show that nudges can be embedded in diverse local government management practices—in environmental services waste management, in police human resources, in land use planning—with minimal additional cost and high effectiveness. In the next section, I outline how the fellowship will support bringing these strategies to smaller local governments.

Methodology

The general research strategy is shown in the Gantt chart below. The research will proceed in Summer and Fall 2021 in multiple phases, toward the objectives of (1) implementing and evaluating select behavioral interventions in five case study counties or municipalities and (2) preparing a Behavioral Intervention Guidebook for Managers, including a Cognitive Audit process manual, based on a comprehensive survey of local government practices and the findings from the case studies. To ensure a focus on smaller governments, the case population from which case study communities will be selected will be delimited by a few criteria of inclusion. The first is that the local government (a county or a municipality) have a population under 50,000 per the most recent census five-year estimates, a common threshold for distinguishing smaller localities from larger ones. Smaller local governments are routinely under-studied, even though in the U.S. over 90 percent of all incorporated places (with nearly a fifth of the population) and over two thirds of counties (with about 10 percent of the U.S. population) meet these criteria. Preference will be given to those local governments with a population under 25,000 and a predominantly rural population density of less than 1,000 persons per square mile, as these are the most severely understudied. Two other criteria—experiencing low-to-moderate fiscal distress and household growth—will help ensure behavioral interventions are being stress-tested even in communities with limited resources. The case-selection strategy from this population is the diverse-case method, which strives to achieve maximum variance along dimensions that are analytically relevant. The objective is to demonstrate that behavioral interventions can be a successful pathway to transformation under diverse organizational, institutional, and demographic conditions within the population of smaller and lower-capacity local governments. The three types of nudges—political, social, organizational—suggest two key dimensions of variation, though others may arise: (1) local governments with a directly elected versus colleague-selected mayor/chairperson; (2) local governments with high pluralism versus low pluralism (as indicated by heterogeneity in household and housing attributes such as race, income, home value, and political affiliation). Recognizing that the sampling strategy may be geographically limited—due to travel time and cost considerations—the case selection may need to be somewhat driven by convenience. Fortunately, the Northern Illinois University Public Administration department—which has a leading national program in local government management—has a strong alumni network and robust reputational capital within the northern Illinois, southern Wisconsin, and eastern Iowa.

Activity	Week																							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Literature review	■	■	■																					
Survey of behavioral interventions in counties and municipalities	■	■	■	■	■																			
Selection of cases		■	■	■	■	■	■																	
Case preliminary interview and site visits for selection of nudges				■	■	■	■	■	■	■	■													
Deployment of nudges using quasi-experimental or other methods										■	■	■	■	■	■	■	■	■	■	■	■			
Follow-up interviews to identify key barriers and opportunities																	■	■	■	■	■	■	■	■