

The competence to nudge: Developing a scale for firm-level behavioral science competence

Why is this thesis important? Every organization is in the business of changing the behavior of its stakeholders. For instance, trying to get consumers to purchase a product represents an example of efforts to influence the behavior of external stakeholders. On the other hand, a direct seller looking for suitable incentive strategies to increase the morale of its salesforce is engaged in influencing behavior internally. To this end, a continuously growing number of organizations have hired a Chief Behavioral Officer (e.g., Google, Apple, Uber, Facebook, Allianz). Their main task is to apply behavioral insights (e.g., psychological and/or economic principles) to identify, explain, and change behavioral patterns of consumers and other stakeholders.

What is the focus of this thesis? This thesis argues that the competence to use behavioral insights to reach and resolve outward- and inward-facing business goals and challenges can provide a valuable competitive advantage for businesses. However, to date, a parsimonious and managerially actionable measurement scale of firm-level behavioral science competence has been missing. This thesis closes this research gap by answering three research questions:

- 1) What is firm-level behavioral science competence?
- 2) Which competencies does firm-level behavioral science competence comprise?
- 3) How can firm-level behavioral science competence be measured?

Which methods have been used? A literature review as well as 12 semi-structured in-depth interviews with world-leading experts in behavioral science (practitioners and scholars) was conducted to identify overarching dimensions of firm-level behavioral science competence. Subsequently, a set of items for each sub-dimension was developed and pretested.

What are the findings? Firm-level behavioral science competence comprises five complementary competencies: behavioral science culture, implementation process, behavioral science monitoring, scientific focus, and behavioral science integration. Organizations should invest resources to improve all five competencies for the successful development of firm-level behavioral science competence. Future research that could benefit from these findings could investigate the impact of firm-level behavioral science competence on firm performance.

