

How could business leaders make better decisions by using data evidence from randomized field experiments?

Randomized Controlled Trials (RCT) Lab | 2017

Challenge for business leaders



Business leaders are expected to ground important decisions aiming to increase productivity, growth and competitiveness in data evidence.

For example, the introduction of a new HR policy, a new mentoring program for onboarding employees, or a program to promote female inclusion to name but a few.



Traditional approaches of data usage could produce the wrong data evidence and consequently lead to wrong decisions.

Imagine a firm has a training program, and it is the decision of its employees whether to participate or not. Data analysis might show that training participants perform better than non-participants. However, it cannot be concluded from this data analysis that the training has causally increased performance. An alternative explanation could be that more motivated employees, who also perform better, decided more frequently for the training. So if the training has actually no effect on performance, its continuation would negatively impact the profit of the firm.

Solution

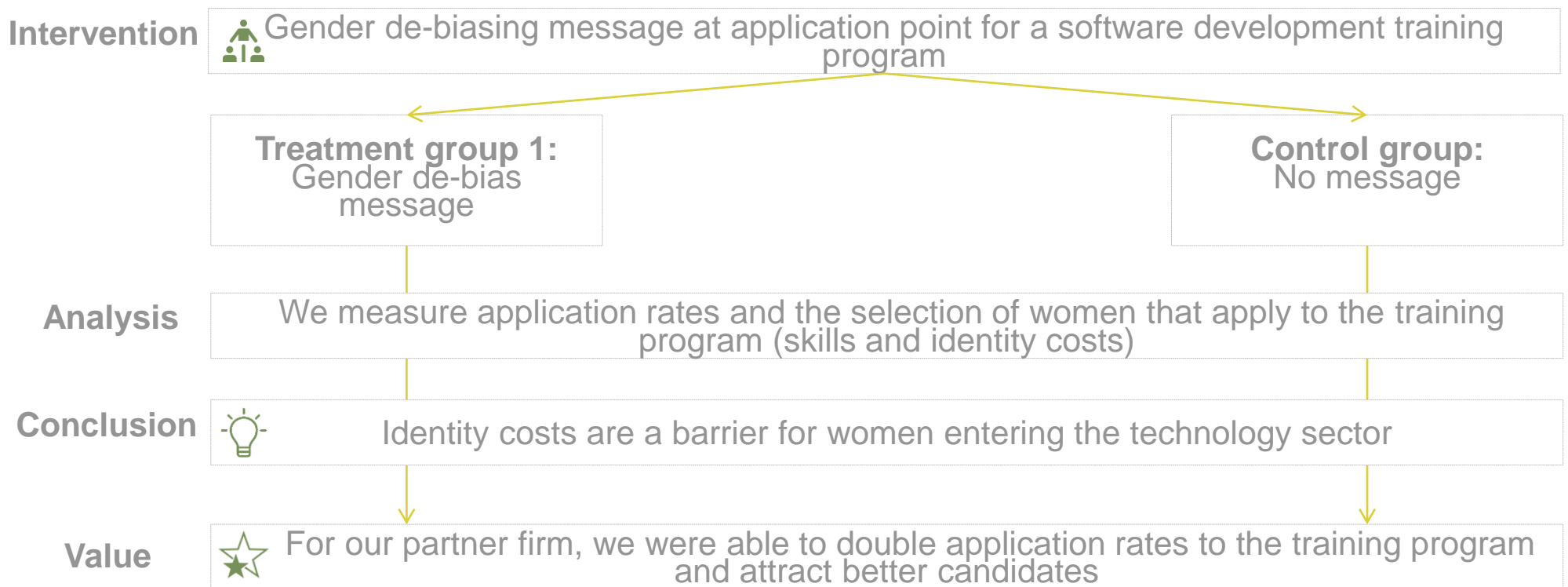


Randomized field experiments provide the best possible data evidence for important decisions of business leaders.

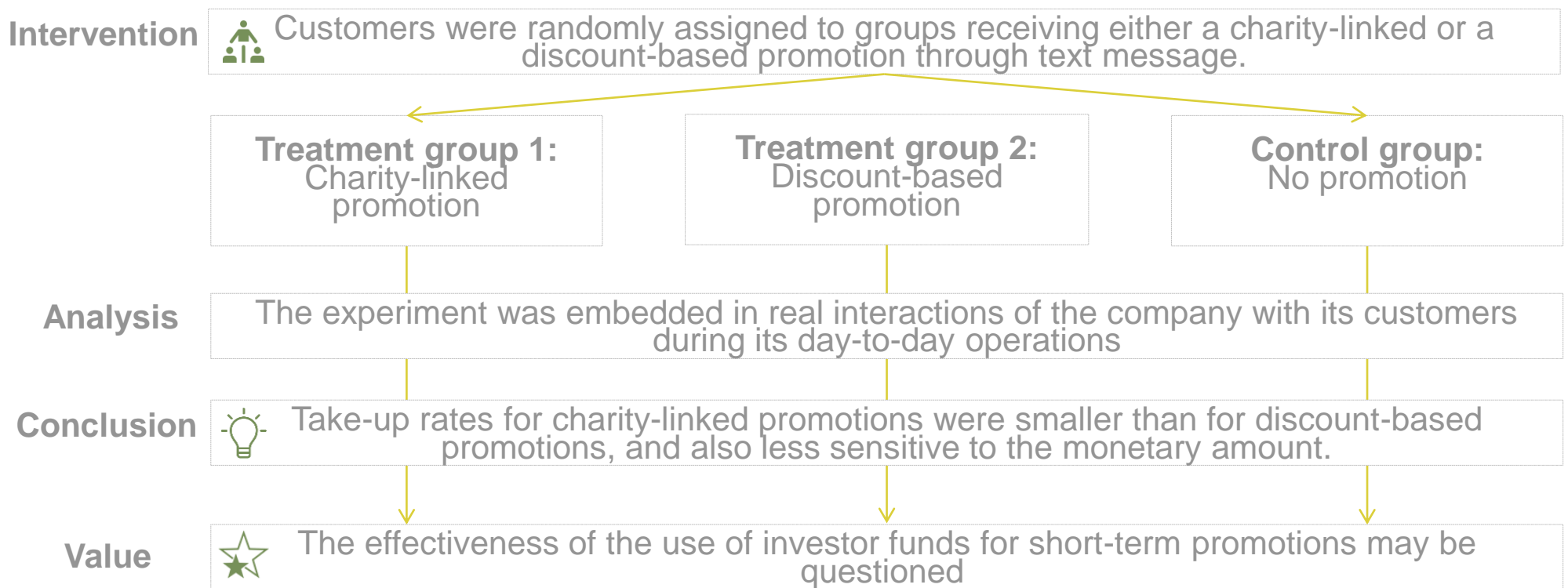
Further following up on the example above: To evaluate the training, employees are randomly assigned to a treatment group (training) and a control group (no training). Because of random assignment, all other variables (such as motivation) are equal on average. Now we can conclude that the training worked, if employees attending the training showed higher performance.

A research collaboration could create mutual benefits: Helping business leaders with an important decision problem, and INSEAD faculty to advance research on the drivers of productivity, growth and competitiveness of firms.

Example: How could women representation in the technology sector be increased?



Example: Do charity-linked company promotions increase revenue and profit?



* See: Philanthropic campaigns and customer behaviour: field experiments in an online taxi booking company (Jasjit Singh et al., 2016)

Essentials of research collaboration



INSEAD conducts academic research using randomized field experiments and is keen to explore collaborations with interested organizations on important decisions the entity is seeking to make.

The following considerations are important for collaboration:

1

The research topic & partner goals are aligned.

2

There is an ability and willingness to assign employees to random group.

3

The available sample is sufficiently large and homogenous.

4

The project is championed by a senior manager and execution is assigned within the organization.

5

There is availability of required data (especially on outcomes) and a willingness to share this data.

6

There is consent to academic publication (which may be anonymous).

We are currently looking for research collaboration on the following topics:

A



Making group decisions more effective

B



Reducing food waste in large scale food operations

C



Self-perception and organizational commitment

D



Understanding self-definition of employees and employee motivation

E



Effectively connecting newcomers to an existing social network

A How could group decisions be made more effective?

Project Lead: Enrico Diecidue, Professor, Decision Sciences

Partner requirements: We would like to collaborate with a company that engages in a large number of homogenous group decisions (at least 500 per year). Examples could be credit review committees in banks, committees reviewing innovation ideas, or committees making decisions about patient treatment plans.

Expected benefit for your company:

- Make group decisions more effective by mitigating the risks of group biases.

B Can large-scale kitchen waste be reduced through stricter procurement or preparation policies?

Project Lead: Varun Karamshetty, PhD Student, Technology & Operations Management

Partner requirements: We'd like to collaborate with a company with over 15 professional kitchens in operation. This research is not limited by sector.

Intervention example

Introduce a food procurement kitchen policy intervention, in a random sample of kitchens and have another sample run normal operations. Food waste would be tracked prior and post-intervention.

Expected benefit for your company:

- Better understand if policy-specific intervention provides incentive for reduced foodwaste.
- Help develop policies that will reduce foodwaste, improve operations, and impact on better overall performance.

C ✨ Do employees' feelings of authenticity lead to higher interpersonal trust and enhanced organizational commitment?

Project Lead: Li Huang, Assistant Professor, Organizational Behaviour

Partner requirements: We'd like to collaborate with a company with over 300 full-time employees available to participate. This research is not limited by sector.

Intervention example

Participating employees are asked to reflect on a personal situation where they felt true to themselves.

Expected benefit for your company:

- Better understand how your employees' self-perception and feelings can affect important workplace attitude and behavior.
- Help design practices that encourage feelings of authenticity and improve organizational commitment.

D Can companies better motivate employees by understanding their definition of self (self construal)?

Project Lead: Li Huang, Assistant Professor, Organizational Behaviour

Partner requirements: We'd like to collaborate with a company with over 300 full-time employees available to participate. This research is not limited by sector.

Intervention example

Participating employees are asked to reflect on an incident where they have been an independent or interdependent person. Individual preferences for status (respect in others' eyes) over power (having control over valued resources) are measured.

Expected benefit for your company:

- Better understand how employees can be motivated through the use of targeted incentives that appeal to their self definition
- Find ways to use organizational culture to motivate behaviors that lead to interpersonal respect

E With whom should companies connect onboarding employees to maximize their performance and retention?

Project Lead: Miguel Lobo, Associate Professor, Decision Sciences; Florian Schloderer, Lecturer

Partner requirements: We'd like to collaborate with a company with over 600 recruits over two years. This research is not limited by sector.

Intervention example:

On-boarding employees shadow five incumbent employees during five days. Treatment group 1 shadows employees in the immediate team, treatment group2 shadows employees in other departments, and control group does not participate in the shadowing program.

Expected benefit for your company:

- Optimize the onboarding process by enhancing the performance, retention and engagement of the new employees.

Contact Us



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The background of the slide is a dark green overlay on a photograph of the INSEAD building. The building has large glass windows and the INSEAD logo is visible on its facade. In the foreground, there are silhouettes of people performing acrobatics or gymnastics. The INSEAD logo is centered at the top in a white, serif font, with a decorative flourish underneath it.

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