# 5 Ways to Psych Out Stakeholders

Relationship Science

By Gary Belsky

## The Brief

- Why the science of decision making matters to you
- How to create the perfect context when talking to a prospective donor
- Why the way you interact with stakeholders can change your annual bottom line

I've been writing about decision making for almost 20 years, and I remain amazed at the degree to which the field continues to change the way businesses interact with customers. Such disruptions, of course, haven't been limited to for-profit organizations. Nonprofits can also use psychological insights to widen their networks, strengthen existing relationships and turn cold leads warmer. Here are a handful of recent takeaways from the academic literature that can improve the way your NPO interacts with board members, donors, volunteers and employees.

**1. MAKE NETWORK MINING THE BOARD NORM**. Not too long ago, hotel operators started leaving cards in rooms that encouraged guests to pass on daily linen washings. At first, few customers were compelled by this water-saving nudge. Then some savvy innkeepers began telling patrons that a large percentage of fellow travelers were, in fact, choosing to sleep on the same sheets night after night. The result? Opt-outs began to rise.

***The takeaway***: There are few stronger motivations than the herd mentality and status quo bias. Once someone believes that "everyone else does it" or "that's the way it's done," he or she is more likely to adopt a given behavior. How does this relate to NPO governance? Current, departing and former board members are almost always the best source for finding new board members—but only if they believe that best practices and minimum expectations call for tapping their networks to generate warm candidates. Establish that "norm" in board literature and discussions to get the most out of your members' various webs.

**2. GIVE MORE INFLUENCE, GET DEEPER INVESTMENT**. Two powerful psychological principles--agency and the endowment effect—cause people to place a higher value on everything from material goods to experiences. These forces can have obvious, if generally non-conscious, effects. Exhibit A: At a book party recently, one of the authors mentioned a coffee shop that offered two tip jars at the register as a way for customers to "vote" on a daily pair of choices: The Simpsons vs.Family Guy, NFL vs. NBA, Picasso vs. Dali. It was all in the name of fun, except for the counter staff, which saw the tip pool increase by an average of 50%.

***The takeaway***: The more you can allow individual donors to weigh in on issues large (programs, e.g.) or small (gala entertainment), the more likely they will be to feel a deeper emotional investment in your organization. And that, of course, is likely to lead to deeper commitments of all kinds—financial largesse and network sharing chief among them. Consider, for example, an email and social media campaign that asks for ideas to broaden your NPO's donor base or volunteer network. This simple act of "crowdstorming" (crowdsourcing + brainstorming) is almost certain to help achieve either or both of those goals.

**3. THE DOLLARS ARE IN THE DETAILS**. Estimate for someone that a project will take half a year to complete and they may or may not have confidence in the prediction. Tell them instead that the project will take 182 days and they almost certainly will. That's the conclusion of a recent studyshowing that the more precise or "granular" our promises, the more confidence they spark in those we're trying to convince.

***The takeaway***: Specificity equates to credibility, which equates to improved outcomes in virtually all stakeholder interactions. That obviously applies to funding asks—involving both individuals and institutions—and less obviously (but just as powerfully) to relationship capital transactions.
For example, the ability to correlate, say, a given number of personal introductions to a specific average increase in donations, volunteers or new board members presents the "connector" with a very sharp proposition: Either help with a few simple introductions or keep the cause from collecting that amount of money.

**4. THE LUCKIER WE FEEL THE MORE LIKELY WE ARE TO CONNECT**. A funny thing happens to most of us when we're randomly selected for discounts and other similar opportunities: We non-consciously interpret the good fortune as a sign of our uniqueness. That is, our self-esteem rises because we feel special. And when we feel special, we are far more likely to take advantage of the opportunity that has made us feel that way. In one study, consumers who were told they were randomly selected to receive a discount on coffee mugs were three times more likely to buy the mug than those who thought everyone was entitled to the discount.

***The takeaway:*** No matter the stakeholder, if you can imply that they have access to a by-chance opportunity you'll likely make them feel better about themselves, and, in turn, more magnanimous toward your cause. At your next benefit, for example, inform the crowd that 10 lucky guests will find under their dinner plate a sticker that snags them 10 free tickets to the raffle later that night. Some of those winners will almost assuredly buy more tickets or bid more than they otherwise might have on auction items.

**5. IF YOU CAN'T RAISE SALARIES, RAISE STANDARDS**. It's hardly shocking to suggest that NPO employees aren't in it for the money, but that doesn't mean they're not motivated by self-interest. A recent study in the Journal of Economic Psychology suggests that employer-provided training has the same effect on job satisfaction as a 17% increase in pay.

***The takeaway***: What you might call the "self-improvement effect" is a useful tool for cash-strapped NPOs looking to boost morale. That such training will improve your organization's performance is just a bonus.

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