

## *Chapter 4*

# **Understanding the Drivers of Perception to Improve the Use of Survey Results**

*This chapter explains what factors drive perceptions of the quality of regulatory reform programmes (Section 1) and provides guidance to highlight these factors for a specific survey (Section 2). Policy makers will gain an understanding of the factors that drive survey results to maximise the survey’s policy utility and use. This chapter draws on research on perceptions as well as on country experiences and applies those to the field of regulatory policy.*

Beyond survey design and methodology, a number of factors such as trust in government, experience with front-line services or prior expectations shape responses to perception surveys at a more fundamental level. This means that the same survey results may nonetheless be driven by very different underlying factors and that without knowing what factors drive the results, policy makers cannot define appropriate policy conclusions.

## The fundamental drivers of perceptions

Some drivers of perceptions that underlie survey results are directly linked to regulatory reform, implementation and communication, and hence are shaped by regulatory policies and their implementation. Others are linked to characteristics and attitudes of individuals such as general trust in government. These are less likely to change as a function of regulatory policies and communication.

### *Drivers of perceptions linked to regulatory reform, implementation and communication*

- *“Irritation” could have a greater influence than actual costs:* An individual’s sense of hassle or irritation may have a larger impact on their overall perception of regulation than its measurable costs. For example, according to the 2009 Action Programme for Reducing Administrative Burdens in the EU, “the degree to which businesses consider an information obligation to be irritating (irritation factor) is very often uncorrelated to the administrative burdens imposed” (European Commission, 2009, p. 5; see also OECD, 2010). Irritating experiences are often more memorable than those linked to benefits (UK Department for Business Innovation and Skills, 2009), especially for businesses (Russo, 2010).
- *Service quality:* Citizen and business perceptions of regulations are shaped by their experience with the front-desk staff responsible for implementing regulation. Factors of service quality include “professionalism, timeliness, staff attitude, and information” (Skinner, 2010, Slide 31). For example, participants in the Canadian CFIB Survey identified customer service issues such as being put on hold by a regulator, rude or poorly-informed agency staff, and getting more than one answer

to the same question, as a large part of the “regulatory headache” (Canadian Federation of Independent Business, 2010, p. 12).

- *Regulatory language:* Regulatory texts are usually written in very legalistic and administrative language which is difficult for citizens and businesses to understand. This may shape their perceptions of regulation towards the negative.
- *Compliance costs:* The distinction between administrative burdens and substantive costs of complying with regulations is not always clear or relevant to businesses. Administrative burden reductions may therefore not influence survey results positively, if the substantive compliance costs remain high. For instance, reducing administrative burdens by minimising information obligations of environmental regulations may not lead to more positive survey results if those regulations still require costly investments in machinery.
- *Frequency of reform:* By changing institutionalised practices, reform *per se* may create significant irritation costs, especially for businesses. Reform can make businesses uncertain of compliance requirements (KPMG LLP, 2010); the Danish Burden-Hunter Project cited government uncertainty and unpredictability as drivers of negative perception (Wissing Jensen, 2010).
- *Lack of awareness of benefits:* Businesses and citizens are unaware of the full impact of regulations in terms of costs and benefits for society. Benefits are often diffuse, whereas costs affect individual businesses and citizens more directly
- *Issue salience and visibility:* The UK Better Regulation Executive (BRE) linked contact with and understanding of regulations to a more balanced view of their costs and benefits; the BRE identified that well-informed individuals were usually more positive about regulation, “show[ing] a grasp of both benefits and costs, which can be quite sophisticated, and often with personal experience of the issues involved” (UK Department for Business Innovation and Skills, 2009, p. 69). However, bad regulation may be more visible than good regulation (FreshMinds, 2009). The majority of news stories [about regulation] was found to be negative (FreshMinds, 2009),

and may serve to mythologise regulatory burdens. Furthermore, stories of regulatory burdens are more likely to remain in the public consciousness than stories of regulatory successes. The UK Better Regulation Executive reports that “regulation seen as good appeals to common sense [...] and in many instances quickly renders itself invisible as it comes to be taken for granted. Conversely, regulation seen as bad remains highly visible as it grates against what the public perceives to be fair and sensible” (FreshMinds, 2009, p. 20).

- *Government and media communications:* According to a recent study conducted in the United Kingdom, the media has the potential to influence an individual’s opinion about regulations, especially if the individual does not have personal experience to draw on (UK Department for Business Innovation and Skills, 2009). The same study revealed that media reporting about regulations is mostly negative. Memorable stories of regulatory success communicated by the government can improve perceptions of regulation and emphasise that “compliance is standard” (Russo, 2010, Slide 18).
- *Involvement:* Respondents, especially business respondents, highlighted the desire for consultation at the early stages of the policy development process in several country surveys. Discussions echoed this emphasis on consultation from a governmental perspective and posited that stakeholder involvement might constitute an element of perception formation. Experience in Denmark showed that businesses responded very positively to participating in the Burden Hunters project, which aimed at “allowing business to set the agenda and be heard”. It was emphasised though that continued support depends on the solutions actually developed (Wissing Jensen, 2010, Slide 4).
- *Timing:* Survey respondents may be unaware of regulatory reforms because of the time lag between reform implementation and diffusion, or because of the low visibility of reforms. Surveys need to be conducted once survey respondents are aware of reforms and can feel their effect.

### *Drivers of perceptions linked to respondents’ characteristics and attitudes*

- *Area/demographic factors:* Areas with lower average income may report more negative perceptions of regulation in general than better-off areas. For example, persons from deprived areas in the United Kingdom reported significantly lower overall satisfaction levels with their local area than their wealthier counterparts in a survey conducted by Ipsos Mori (Skinner, 2010).
- *Businesses have different perceptions from the public:* Business perceptions of regulation may be more negative than those of the general public. This may be due to the increased focus by businesses on the costs of regulation rather than on the benefits. By contrast, citizens often think of the benefits of regulation more than the cost. Furthermore, businesses have an incentive to project negative perceptions of regulatory quality in order to motivate more drastic deregulation. However, business responses are complex: business respondents balance roles as both citizen and business-person (Russo, 2010) and of course not all businesses are the same.
- *Perceptions among businesses vary:* Business perceptions often differ based on size and sector (Atkinson and Van der Zwet, 2010), as well as other factors such as number of years in business, competitive conditions, and business strategy (Carter *et al.*, 2009). One reason might be that compliance costs are proportionally higher for some sectors and for smaller businesses. For example, the Business New Zealand/KPMG 2008 survey (KPMG LLP, 2008) identified a regressive effect from compliance costs; that is, smaller businesses incur higher compliance costs per employee than larger businesses. In line with this finding, the Board of Swedish Industry and Commerce for Better Regulation (NNR) states that “developments regarding burdensome and costly regulations are also of greater concern for SMEs than for larger companies” (Board of Swedish Industry and Commerce for Better Regulation, 2010, p. 19).
- *Businesses may not be sensitive to regulatory changes:* The way businesses conceptualise regulation may remain static, despite government interventions. Deregulation and administrative

burden reduction do not create competitive advantages for individual firms. Rather, the benefits are diffuse, creating gains for every firm, and thus for the overall economy. Because firms cannot gain efficiency advantages over their domestic competitors through deregulation, it may have little effect on perceptions. It may also be that because “rules and regulation are always negative, relieving it is a non-event (like the inconspicuousness of a relieved pain)” (Schippers, 2010, Slide 17).

- *Attitudes and interests:* Perceptions of regulation are sometimes irreversibly tied to fundamental attitudes and interests, such as general trust in government. Steyaert termed these ‘psychographic’ characteristics (Steyaert, 2010, Slide 7). For example, questions about regulation could trigger inherent beliefs about government, so that a general sense of dislike of government is automatically tied to a sense of low regulatory quality. Van de Walle (2003) writes that citizens’ trust in government influences their evaluation of government performance (Van de Walle and Bouckaert, 2003).
- *Cultural differences:* Attitudes such as trust in government often have very different characteristics across nations. In the United Kingdom, for example, “the power and prevalence of what might be termed ‘anti-regulation’ discourses in the wider society” might serve to explain part of UK “business owners’ general perceptions of employment rights, [which] often differ from their concrete experiences” (Kitching, 2006, p. 16). Business owners may see employment rights in general as a burden, and simultaneously claim positive effects on their own firm. The results of perception surveys in countries with generally negative attitudes towards the state might therefore be artificially lower compared to other countries, regardless of actual regulatory performance, due to the commonality of such sentiments as “Public services are intrinsically inefficient” (IPSOS MORI Social Research Institute, 2003, p. 30).
- *Expectations:* As expectations rise, perceptions may be lower, whether or not actual quality has changed. Expectations form a critical part of the way end-users perceive the quality of regulatory policy; Van de Walle and Bouckaert (2003, p. 2)

write that the performance of public administrations and satisfaction of its users are “not necessarily related because of the subtle interplay of reality, perception and expectations”. An increase in expectations may thus stem from changes in a number of factors unrelated to actual regulatory improvement, such as consumer demand or systemic feelings about government.

- *Political changes:* Because fundamental political attitudes about government have a significant impact on perceptions, political change can bring a shift in perceptions of regulatory performance, independent of any actual changes.

## How to identify the drivers of perception

Most perception surveys are informative about general trends in business and citizens’ perceptions of the quality of regulations, of regulatory costs and burdens and of the level of awareness of particular regulatory reform programs. However, most survey questions are too general to provide information about the drivers of those perceptions. In order to correctly interpret survey results and to decide on appropriate policy responses, it is necessary to understand the underlying drivers of perceptions. The reason is that the same survey result can be caused by different factors, and hence require different policy responses.

OECD countries have tested a number of both qualitative and quantitative tools to identify the drivers of perceptions underlying their survey results.

### *Qualitative tools*

Qualitative research methods may include focus groups, open-ended survey questions, interviews and case studies. In the UK’s “better regulation, better benefits survey”, a qualitative research phase preceded the quantitative perception survey. Twenty-five business owners and 25 citizens from different areas were selected, following as broad a representative sample of the UK population as possible. In-depth interviews provided important insight on question formation, perception drivers, and individual experiences. For example, the study revealed that very few respondents could give a confident definition of what regulation was and that few respondents were able to tie specific

regulation back to the governing regulatory body. It also became clear that perceptions of regulation do not only vary from one individual to the next but that individuals also do not hold uniform views. For example, one respondent may perceive the smoking ban recently introduced in the United Kingdom as positive, while also perceiving health and safety regulation in general as negative (Russo, 2010).

Other countries conduct perception surveys independently from quantitative surveys. For example, in Denmark, the Burden Hunter technique relies on observations of everyday business practices, interviews, and data analysis to shed light on the day-to-day routines of the end-users of regulation. While it was developed as a stand-alone measure, it can also be used to complement and contextualise data from perception surveys and the Standard Cost Model (SCM) (see Box 4.1).

#### **Box 4.1. Drivers of (negative) perceptions: Insights from the Danish Burden-Hunter Project**

The Danish Burden Hunter Technique aims to get a better understanding of what is driving business perceptions of government and regulations, and to develop solutions to cut red tape that businesses experience as the most irritating. Consultants visited businesses in Denmark to collect quotes, audio, and video data on businesses' day-to-day experience with regulations including interaction with public authorities responsible for regulatory matters. The following drivers of negative perceptions were identified:

1. Inflexibility
2. Lack of mutual obligation
3. Unfairness
4. Uncertainty and unpredictability
5. Pointlessness
6. Lack of respect from the public authorities for the fact that "this is my enterprise and these are my enterprise's day to day activities"
7. Lack of confidence in "my good intentions and acknowledgement of my knowledge and experience in operating a company today"
8. Complexity
9. Powerlessness and lack of clarity in authorities' roles

*Source:* Wissing Jensen, Jørgen (2010), "The Burden-Hunter technique: A user-centric approach to cutting red tape", presented at the OECD Workshop on Measuring Progress in Regulatory Reform: Perception Surveys, 21-22 June, Slide 11, available at [www.oecd.org/dataoecd/56/58/45641644.pdf](http://www.oecd.org/dataoecd/56/58/45641644.pdf). For further information, please see [www.mind-lab.dk/en/cases/byrdejagt-i-danske-virksomheder](http://www.mind-lab.dk/en/cases/byrdejagt-i-danske-virksomheder).



Box 4.2 provides references to methodological advice for conducting good practice focus groups, interviews and case studies.

### **Box 4.2. Literature hints for qualitative research methods: Focus groups, interviews and case studies**

#### **Focus groups**

For a brief introduction to focus groups that explains when to use focus groups and why: Morgan, David L. (1998), *The Focus Group Guidebook*, Thousand Oaks, CA: Sage.

For more advanced guidance that develops a conceptual framework for focus groups: Fern, Edward F. (2001), *Advanced Focus Group Research*, Thousand Oaks, CA: Sage.

For combining surveys and focus groups: Morgan, David L. (1993), *Successful Focus Groups: Advancing the State of the Art*, Newbury Park, CA: Sage.

#### **Interviews**

For an introductory guide to interviews: Rubin, Herbert J. and Irene S. Rubin (2005), *Qualitative Interviewing: The Art of Hearing Data*, 2<sup>nd</sup> edition, Thousand Oaks, CA: Sage.

For a detailed description of how to conduct survey interviews: Weiss, Robert S. (1994), *Learning from Strangers. The Art and Method of Qualitative Interview Studies*, New York, NY: Free Press.

For tips to reduce interviewer-related errors: Fowler, Floyd J., Jr. and Thomas W. Mangione (1990), *Standardized survey interviewing. Minimizing interviewer-related error*, Newbury Park, CA: Sage.

#### **Case studies**

For a step-by-step guidance on case studies: Yin, Robert K. (2009), *Case Study Research. Design and Methods*, London: Sage.

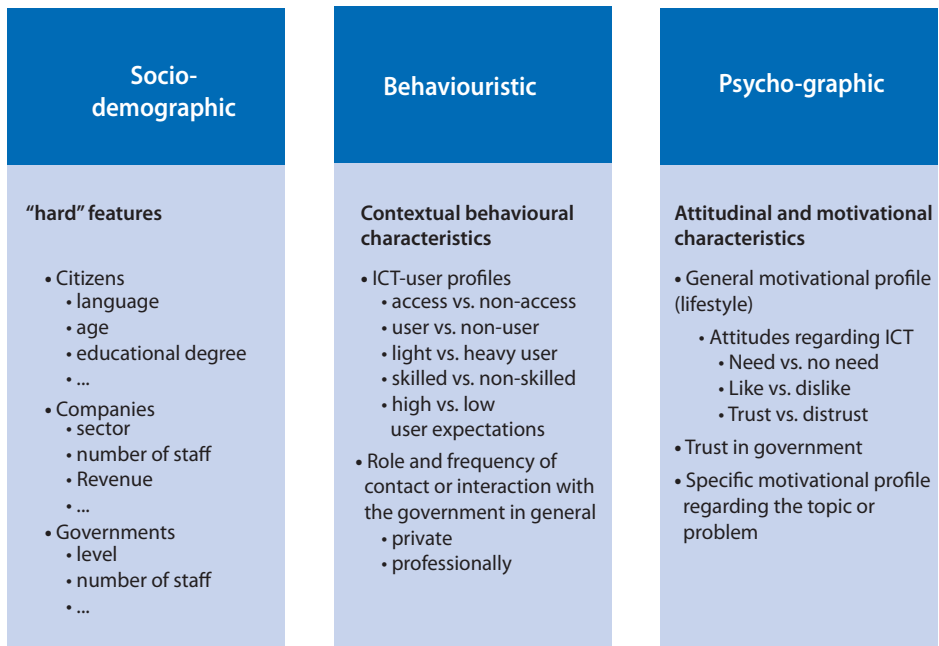
Further literature hints for qualitative research can be taken from the syllabi database of the “Consortium on Qualitative Research Methods”, Syracuse University: [www.maxwell.syr.edu/moynihan/cqrm/Syllabi\\_Database](http://www.maxwell.syr.edu/moynihan/cqrm/Syllabi_Database).

## ***Quantitative analysis***

Countries can choose to collect additional survey data on respondents’ characteristics to control for their effect on survey results. This may include information on income, direct experience with regulation and general trust in government. It is then possible to use quantitative methods to analyse to what extent answers to regulatory questions depend on these characteristics.

For example, a key feature of Belgium’s KAFKA model for perception studies is to collect information on socio-demographic, behavioural and psycho-graphic characteristics of the respondents as depicted in Figure 4.1. The idea behind this data collection is to understand “who answered what”, i.e. whether answers to questions on regulatory burdens depend for example on the respondents’ educational background or on their trust in government. The sampling method and size needs to be adjusted to ensure that there is a sufficient number of respondents with certain characteristics to draw valid conclusions, e.g. that there is a sufficient number of respondents with and without a university degree to draw general conclusions about differences in their answers (see previous chapter).

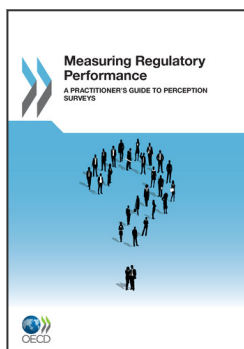
**Figure 4.1. Profiling and segmentation of user groups and types in the Belgian Kafka Model**



Source: Steyart, Jo (2010), “Experiences in Belgium”, Slide 7 available at [www.oecd.org/dataoecd/42/50/45878699.pdf](http://www.oecd.org/dataoecd/42/50/45878699.pdf).

## Conclusion

Perceptions, and hence survey results, are shaped by many factors, of which the actual quality of regulations is only one. For example, perceptions of the quality of regulations can be influenced by trust in government, the current economic situation, experience with front-line service, prior expectations and the content of government (and general media) communication. It is therefore necessary to look beneath survey results. In-depth questions and selected qualitative research techniques such as focus groups, case studies and in-depth interviews can prove very valuable in bringing to light the reasons for the results and drawing concrete policy conclusions from survey results.



**From:**  
**Measuring Regulatory Performance**  
A Practitioner's Guide to Perception Surveys

**Access the complete publication at:**  
<https://doi.org/10.1787/9789264167179-en>

**Please cite this chapter as:**

OECD (2012), "Understanding the Drivers of Perception to Improve the Use of Survey Results", in *Measuring Regulatory Performance: A Practitioner's Guide to Perception Surveys*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264167179-7-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).