Linking Happiness and Efficiency: A New Challenge in a World Knowledge Economy
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Research Seminar on ESS Social Business
EU ASIA Institute - ESSCA
Linking Happiness and Efficiency:
A New Challenge in a World Knowledge Economy.

October, 12th, 2017, 10h-12h30
ESSCA, C104

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**Question:** Do material wealth cause human wealth? (Easterlin, 1974, Shapiro & Stiglitz, 1984)

We want to analyze the relations and feedbacks between happiness and efficiency.

**Methodology:** rely different approaches on the world knowledge economy (Lundvall, 1998; Muldoon, 2013,) and on the psychology (Seligman, 1998; Langer, 1997) and the behavioral economy (Kahneman, 2011; Thaler, 2011) into the complexity approaches (Morin, 1974; Le Moigne, 2000).

**Results and discussion:**
In an evolving world knowledge economy, based on network organization, the long run and short run behaviors of individuals and societies involve to put cooperation process in the center of the efficiency in a learning economy.

Based on these synergic relations between people, it is possible to think and act more efficiently in long and short run.

Introduction

New inclusive world knowledge economy induces inclusive relations, based on networks and “coopetition”:

Countries $\rightarrow$ Firms $\rightarrow$ Network
Social relations $\rightarrow$ Economic relations $\rightarrow$ Inclusive relations
Cooperation $\rightarrow$ Competition $\rightarrow$ “Coopetition”

New paradigm in the cognitive sciences: individuals use both reason and emotion:

* “Bounded rationality” : Simon, Kahneman, Thaler:
individuals try to avoid psychological biases in decision making (anchoring, status quo, sunk-cost, evidence, framing, forecasting).

* Positive psychology and complexity approach : Piaget, Morin, Le Moigne:
individuals accept their unperfected human condition and transform it in strength. They thus think and act with emotion”, “Reason”, and “Metes”

PLAN

I. The knowledge economy: how manage opposite factors?

II. How designing in long run your happiness and competitive advantage?

III. Acting in short run with emotional and competitive intelligence involves greater efficiency

I. The knowledge economy: how manage opposite factors?

1. Globalization induces network organization and “coopetition”

- **Goods Liberty** → **Capital Liberty** → **Knowledge Liberty**
- **Labor Division** → **Industrial Division** → **Knowledge Division**
- **Holism** → **Individualism** → **“Holon”**
- **Cooperation** → **Competition** → **“Coopetition”**

2. The Complexity approach takes into account different ways to combine opposite factors in order to reach higher happiness and efficiency.

**Multi dimensions in knowledge economy**: space, time and organization pattern.

**Multi-solutions**: No optimum, Different solutions to a same question, Dynamic solution (the solution arises in walking).

**Multi-tools:**
- **Long run**: Diversified languages and Continuous learning skills
- **Short run**: New good habits more useful than willpower and Pro-action and not only adaptation.

3. Complexity approaches: how using contradictions in order to be happier

**COOPERATION**
- Ethics values (Hume, 1740)
- Efficiency wages theory and “utility value”

**TOP-DOWN Approach**
**THINK SLOW** (system 2)
- Rationality
- “Order by disorder”
- Close and organization

**BOTTOM - UP**
**THINK FAST** (system 1)
- Metis
- “Complexity by disorder”
- Open and innovation

**Competition**
- Economics values (Smith, 1796)
- Labor value theory and “market value”


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II. How designing in long run your happiness and competitive advantage?

Our thesis:

- Individual are influenced by their environment but he can act to reach greater happiness and efficiency (James, 1876, Langer, 1989)

- Be open and think our evolution on the time (in focalizing on our failures and successes) (Seligman, 1998, Goleman, 2011)

- Assimilation effect of Piaget: think the problem in other way in order to identify the assimilating characteristics: how being happier than today (Piaget, 1976)

- A “virtuous cycle of happiness” is a great motor for increasing efficiency (Watzalwick, 1972)
1. Individuals build their Happiness Advantage

CONFIDENCE IN FRIENDS
- Social relationships create endogenous strengths
  - Trust your friends and ask them help

TOP-DOWN Approach
Awareness
- Positive Feeling
- Pleasure, meaning, action

CONFIDENCE IN YOU:
- Change your mind to increase your efficiency
  - Accept to get down and to get up

BOTTOM-UP Approach
Intuition
- Think outside the box
  - “Broaden and build”

2. New leaders within network use Emotional Intelligence

Economic leadership, “grow and go”

Alan LEVY, CEO, Polygram

Social skills and empathy

Give people what they need

Self awareness:
Select your weaknesses
Richard BRANSON, Virgin
Solidarity, authenticity, protection

Give people what they want

Self regulation:
Intuition to collect data
Rey VAN SCHEIK, Heineken
Always there without being there, just know what the boss wants

Motivation: dare to be different:
Sir John Harvey JONES, CEO ICI, UK
be and reveal your difference:
Expertise, imagination, loyalty

Experts

Innovators


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3. Organizations design their sustainable Competitive Advantage

- Clusters
- Networks
- Community of practice

Cooperation diversities

Supply diversities
- Knowledge and radical innovation,
- Competencies and market innovation
- Capital asset, labor and frugal innovation.

Demand Diversities
- Quality and Social goods
- Quality Prices goods
- Low prices goods

Competition diversities
- Price Competitiveness
- Information Competitiveness
- Non Price Competitiveness

Shared Consumption:
Open software, carpooling,

Local cooperation:
SCOP, Fab lab,
AMAP, Sharing garden

Shared production:
PriceMinister,
“la ruche qui dit oui”,
crowdfunding

Web competition:
GAFAM,
UBER


III. Acting in short run with emotional and competitive intelligence involves greater efficiency

1) Individuals : use emotional intelligence for creating new goods habits to be more to be happier and more efficient
Quit with a bad habit, act step by step and accept to get down and get up

2) Organization : use competitive Intelligence for creating nudge to be more to be happier (eat sanely) and more efficient (decrease in health spending) :
Use learning network, induce your team to solve their problem, practice organizational innovations in combining opposite factors (security with competition, liberty and cooperation)

1. Individuals: acting with emotional intelligence increases happiness and efficiency in short run

**Co-protecting**
1. Continuous learning (me)
2. Collective protection: laws, norms (me and others)
3. Accept the help of others in order to rebound after a failure (me with other)

**Co-learning**
1. New habits (me)
2. Learning by doing (me and others)
3. Learning by sharing (me with others)

**Co-managing**
1. Influence (me)
2. Leadership (me and others)
3. Act step by step (me with others)


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2. Organizations: acting with competitive intelligence increases efficiency and competitiveness of organizations in short run

- World external economies (knowledge, environment)
- National internal economies (countries, firms, individuals)
- Organizational innovation: flexi-security and nudges

3. Inclusive Economy

1. Knowledge Networks
   ("Knowledge Revolution")
   - Work for pleasure
   - Build a long run vision
   - Respect different Learning

2. Positive Influence
   ("Digital Revolution")
   - Positive lobbying
   - “Nudges”
   - Induce your team to solve their problem


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Conclusion

1. Globalization and the knowledge economy lead to a complex world.
   Pluralistic approaches (economics and psychology) and complexity approaches link opposite factors (competition and cooperation,..) in order to build efficient networks.

2. Willingness of each agent to cooperate with others for acting in an inclusive economy
   - Thinking slow and cooperation with others in the long run: how designing sustainable happiness advantage for individuals and competitive advantage for organizations.
   - Acting fast and confrontation with others in the short run: how acting with emotional intelligence for individuals and with competitive intelligence for organizations.

3. Individual and collective happiness cause individual and collective efficiency: how daring to think different involves useful sharing with others which create efficient organizational networks.

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