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Linking Happiness and Efficiency: A New Challenge in a World Knowledge Economy

Camille Baulant

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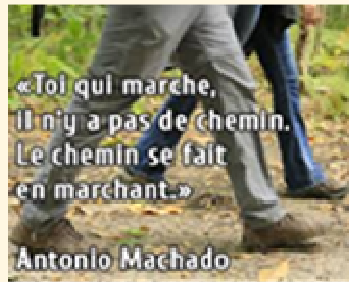
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Research Seminar on ESS Social Business
EU ASIA Institute - ESSCA
Linking Happiness and Efficiency:
A New Challenge in a World Knowledge Economy.

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

Camille BAULANT, Professor in International Economics
University of Angers, UBL, France
Faculty of Law, Economics and Management

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	→	Firms	→	Network
Social relations	→	Economic relations	→	<u>Inclusive relations</u>
Cooperation	→	Competition	→	“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”

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PLAN

I. The knowledge economy : how manage opposite factors?

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

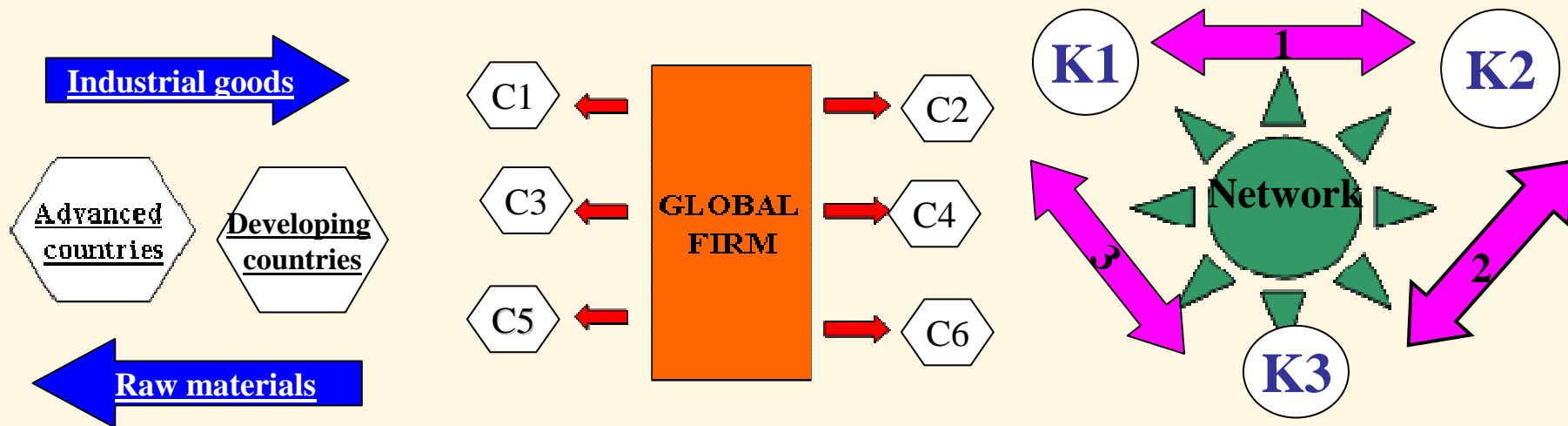
III. Acting in short run with emotional and competitive intelligence involves greater efficiency

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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”



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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

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

Acting, together

COOPERATION

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

BOTTOM - UP

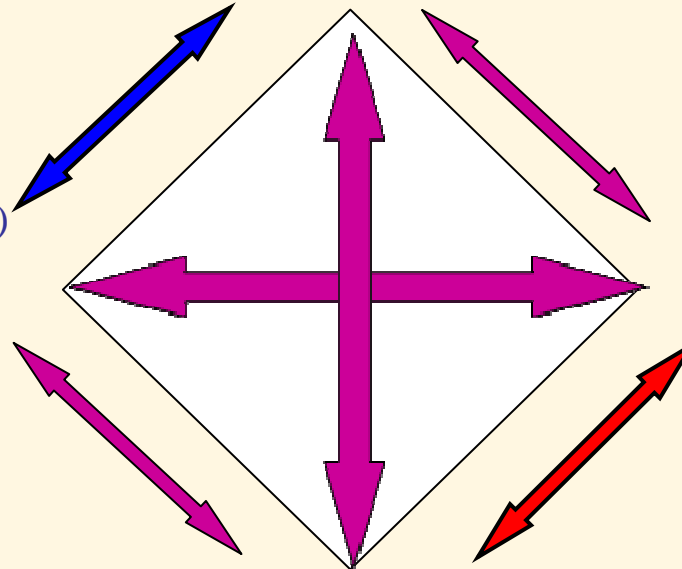
THINK FAST (system 1)

- Metis
- “Complexity by disorder”
- Open and innovation

TOP-DOWN Approach

THINK SLOW (system 2)

- Rationality
- “Order by disorder”
- Close and organization



COMPETITION

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

Having, alone

Source : Léonard de Vinci, 1519, Valery, 1894-1914, Bachelard, 1938, Morin, 1974, Atlan, 1979, Goleman, 1990, Kahneman, 2011

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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**)

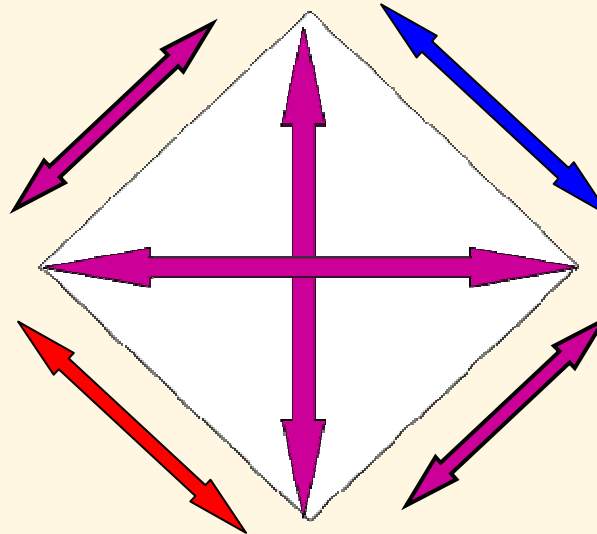
1. Individuals build their Happiness Advantage

CONFIDENCE IN FRIENDS

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

**go-between
leader**

Artist



TOP-DOWN Approach

Awareness

- Positive Feeling
- Pleasure, meaning, action

BOTTOM-UP Approach

Intuition

- Think outside the box
- “Broaden and build”

inventor

CONFIDENCE IN YOU:

- Change your mind to increase your efficiency
- Accept to get down and to get up

**Economic
Leader**

Source : W. James, 1892, Langer, 1989, Crozier, 1977, Collins, 2011, 1998, Goleman, 2011, Ben-Sahar, 2007,

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2. New leaders within network use Emotional Intelligence

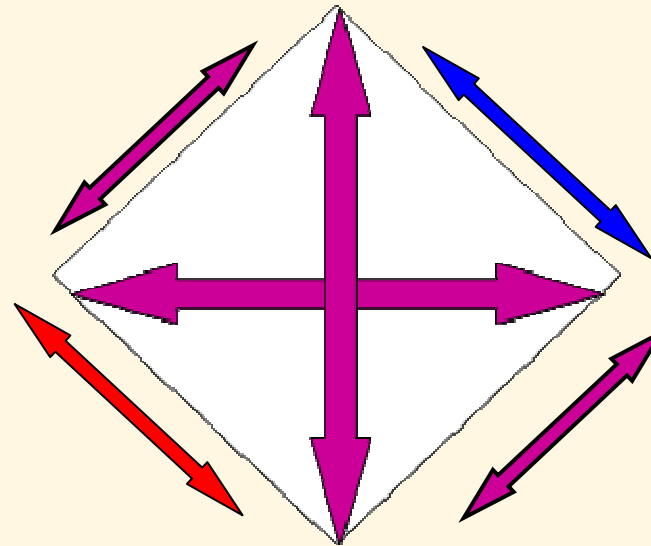
Economic leadership,
“grow and go”

Alan LEVY, CEO, Polygram
Social skills and empathy

Give people what
they need

Give people what
they need

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



Self regulation:
Intuition to collect data

Rey VAN SCHEIK,
Heineken
Always there without being
there, just know what the boss
wants

Experts

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

Innovators

Source : Drucker, 2004, Kotter, 2001, Goffe and Jones, 2000, Collins, 2001, Goleman, 2011.

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3. Organizations design their sustainable Competitive Advantage

Local cooperation:

SCOP, Fab lab,
AMAP, Sharing garden

- Clusters
- Netwroks

- Community of practice

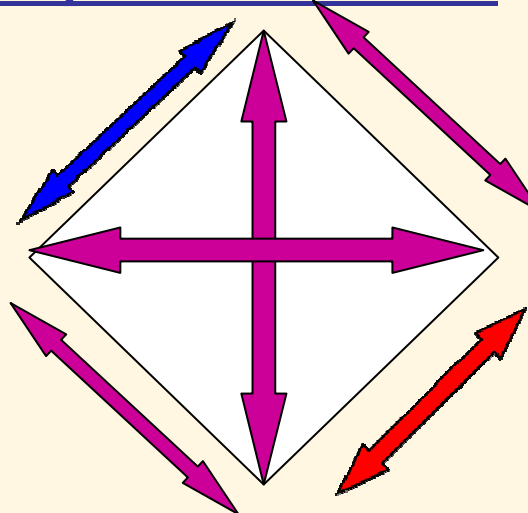
Cooperation diversities

Shared Consumption:

Open software,
carpooling,

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

Shared production:

PriceMinister,
“la ruche qui dit oui”,
crowdfunding

Competition diversities

- Price Competitiveness
- Information Competitiveness
- Non Price Competitiveness

Web competition:

GAFAM,
UBER

Source: Porter, 1990, 2011, 2017, Drucker, 2004, Baulant, 2007, 2015

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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

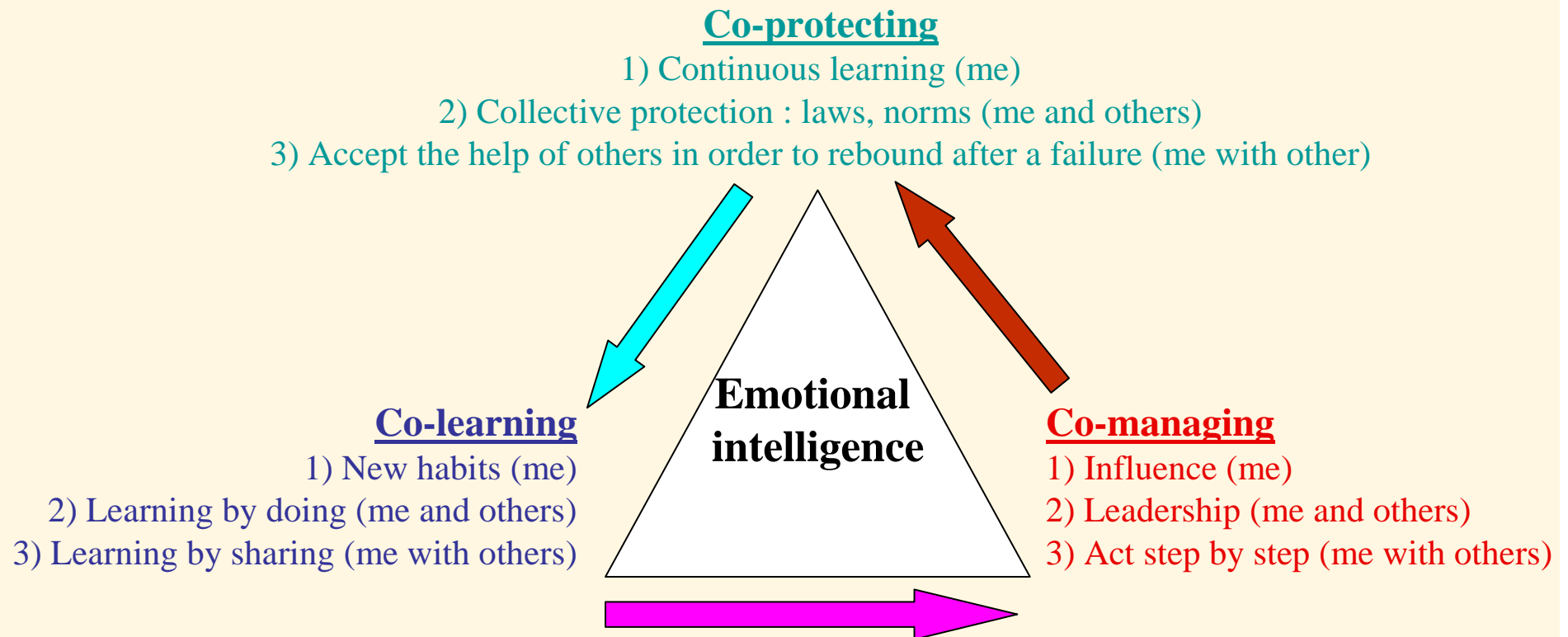
2) Organization : use competitive Intelligence for creating nudge to be more to be happier (eat sanely) and more efficient (decrease in health spending) :

Use learning network, induce your team to solve their problem, practice organizational innovations in combining opposite factors (security with competition, liberty and cooperation)

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

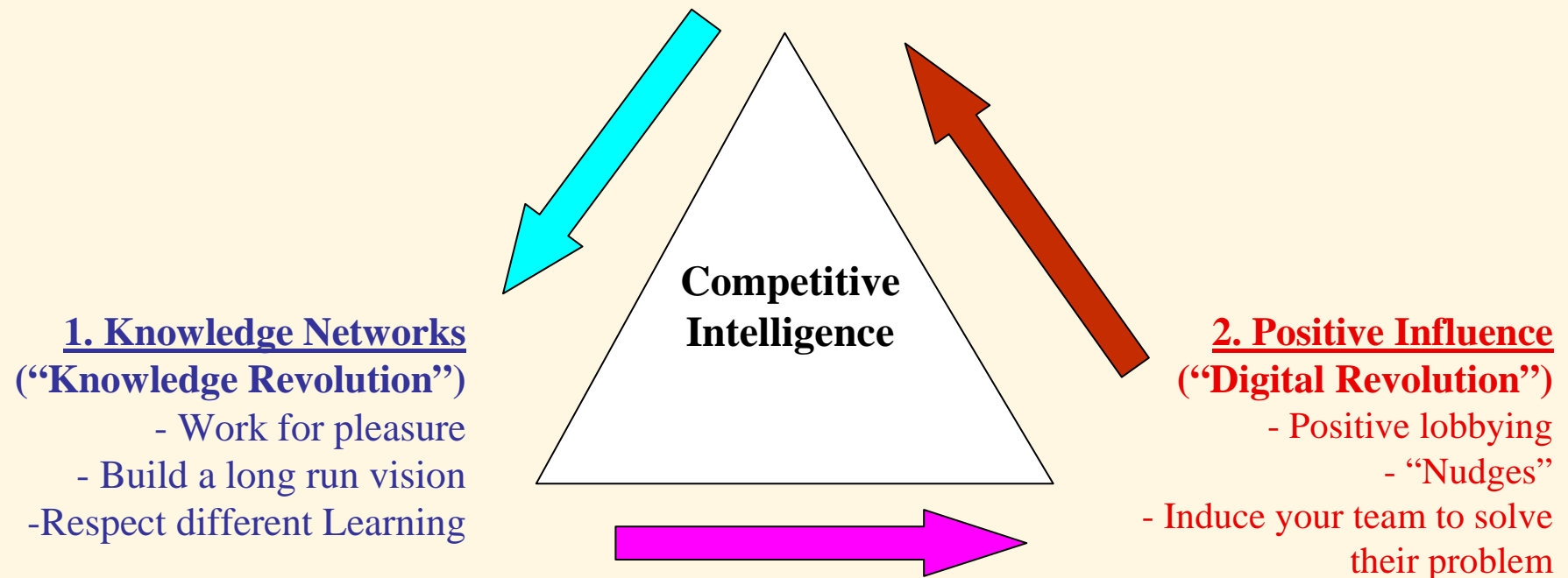


Source : James, 1892, Simon, 1951, Watzlawick, 1972, Goleman, 1990, Ben-Sahar, 2007, Achor, 2010, Kahneman, 2011, Thaler et Sunstein, 2012, Dolan, 2014

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



Source : Wilinski, 1967, Martre, 1994, Baumard and Harbulot 1997, Lesca, 1989, Bloch, 1999, Jakobiak, 2004, Baulant, 2015

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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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