

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

Camille Baulant

► **To cite this version:**

Camille Baulant. Linking Happiness and Efficiency: A New Challenge in a World Knowledge Economy. 2020. hal-02538941

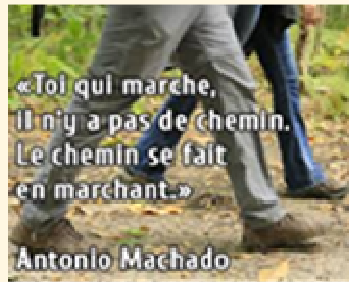
**HAL Id: hal-02538941**

**<https://hal.univ-angers.fr/hal-02538941>**

Preprint submitted on 9 Apr 2020

**HAL** is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.



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

**October, 12<sup>th</sup>, 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” :

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

**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”

**C. Baulant : Linking Happiness and Efficiency: A New Challenge in a World Knowledge Economy, ESSCA, Angers, October, 12th, 2017.**

# PLAN

**I. The knowledge economy : how manage opposite factors?**

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

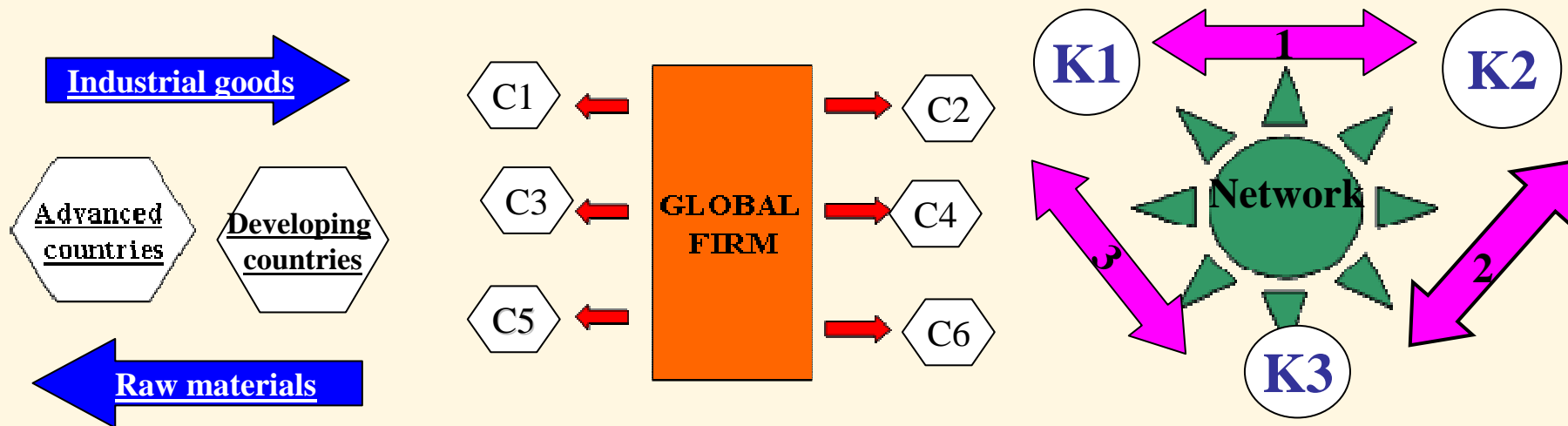
**III. Acting in short run with emotional and competitive intelligence involves greater efficiency**

**C. Baulant : Linking Happiness and Efficiency: A New Challenge in a World Knowledge Economy, ESSCA, Angers, October, 12th, 2017.**

# 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”



**C. Baulant : Linking Happiness and Efficiency: A New Challenge in a World Knowledge Economy, ESSCA, Angers, October, 12th, 2017.**

## 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

**C. Baulant : Linking Happiness and Efficiency: A New Challenge in a World Knowledge Economy, ESSCA, Angers, October, 12th, 2017.**

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

Acting, together

#### COOPERATION

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

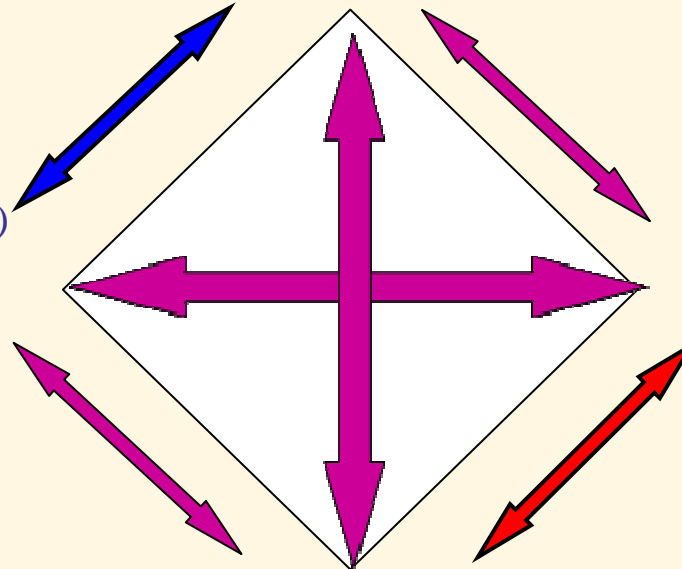
#### BOTTOM - UP

#### 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

**C. Baulant : Linking Happiness and Efficiency: A New Challenge in a World Knowledge Economy, ESSCA, Angers, October, 12th, 2017.**



## 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**)

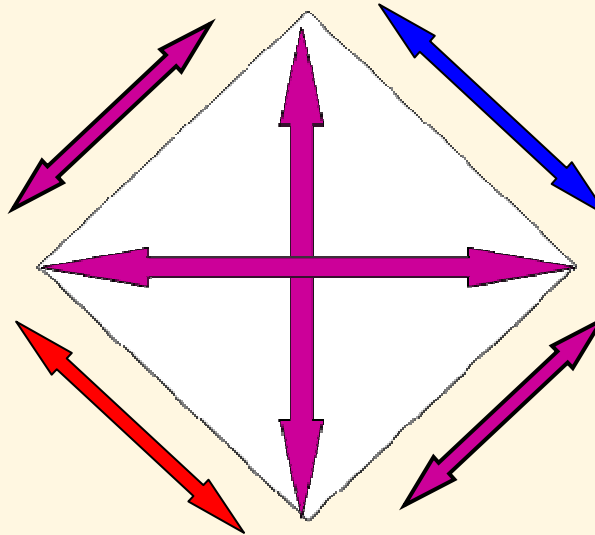
# 1. Individuals build their Happiness Advantage

## 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,

**C. Baulant : Linking Happiness and Efficiency: A New Challenge in a World  
Knowledge Economy, ESSCA, Angers, October, 12th, 2017.**

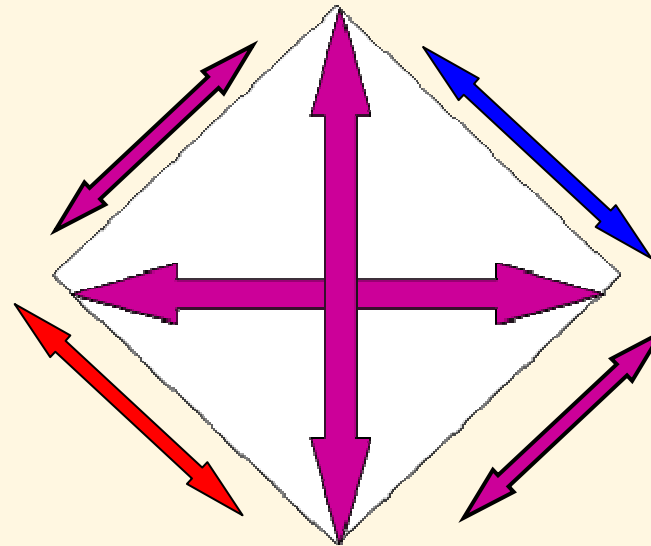
## 2. New leaders within network use Emotional Intelligence

**Give people what they need**

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

**Experts**

Economic leadership,  
“grow and go”  
**Alan LEVY, CEO, Polygram**  
**Social skills and empathy**



**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

**Innovators**

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

**C. Baulant : Linking Happiness and Efficiency: A New Challenge in a World  
, Angers, October, 12th, 2017.**

### 3. Organizations design their sustainable Competitive Advantage

Local cooperation:

SCOP, Fab lab,  
AMAP, Sharing garden

- Clusters
- Netwroks

- Community of practice

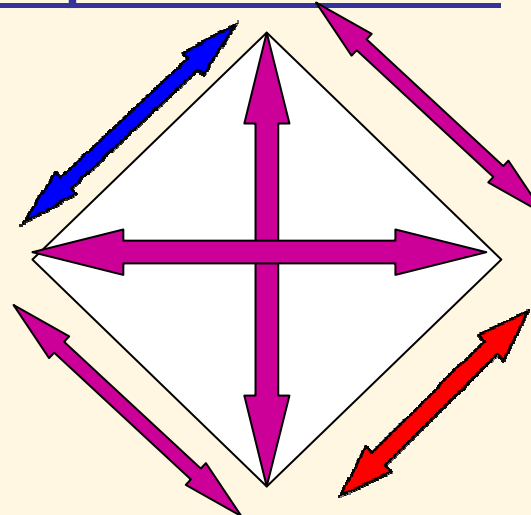
Cooperation diversities

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

**C. Baulant : Linking Happiness and Efficiency: A New Challenge in a World Knowledge Economy, ESSCA, Angers, October, 12th, 2017.**

### **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

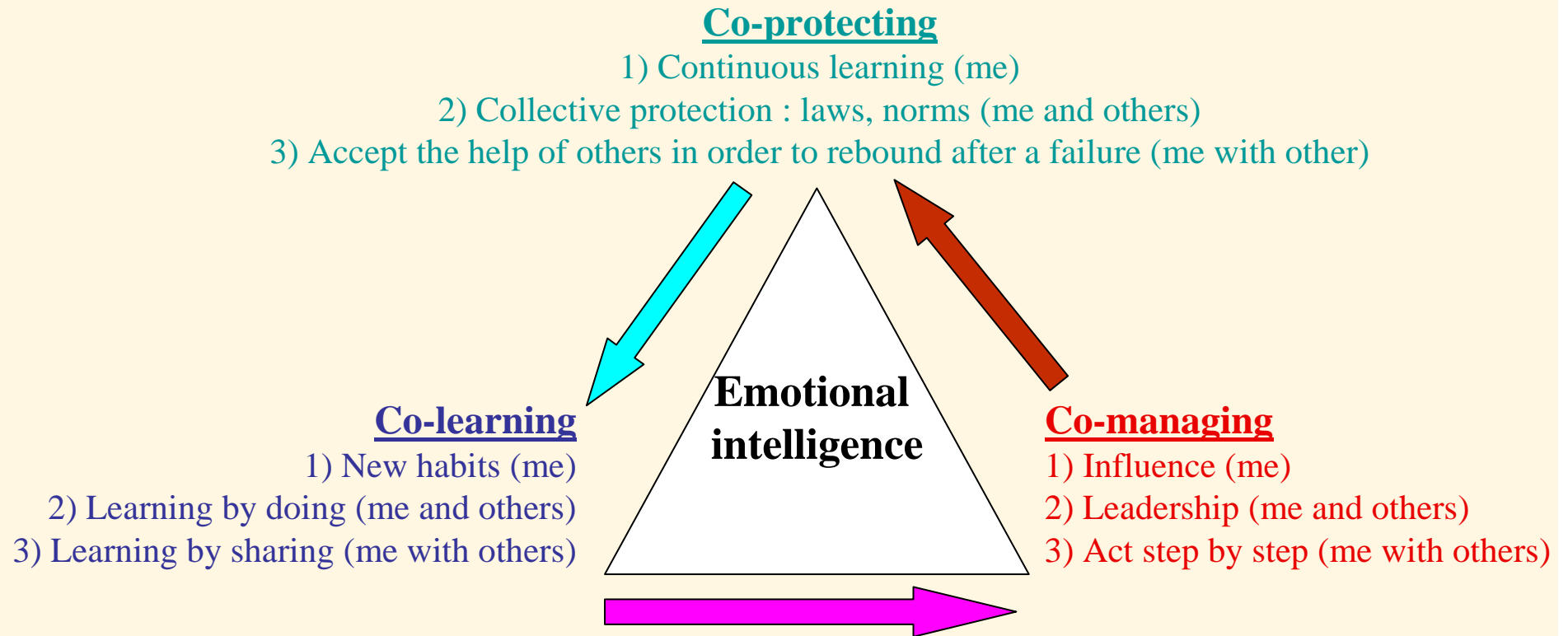
**2) Organization : use competitive Intelligence for creating nudge to be more to be happier (eat sanely) and more efficient (decrease in health spending) :**

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

**C. Baulant : Linking Happiness and Efficiency: A New Challenge in a World**

**Knowledge Economy, ESSCA, Angers, October, 12th, 2017.**

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

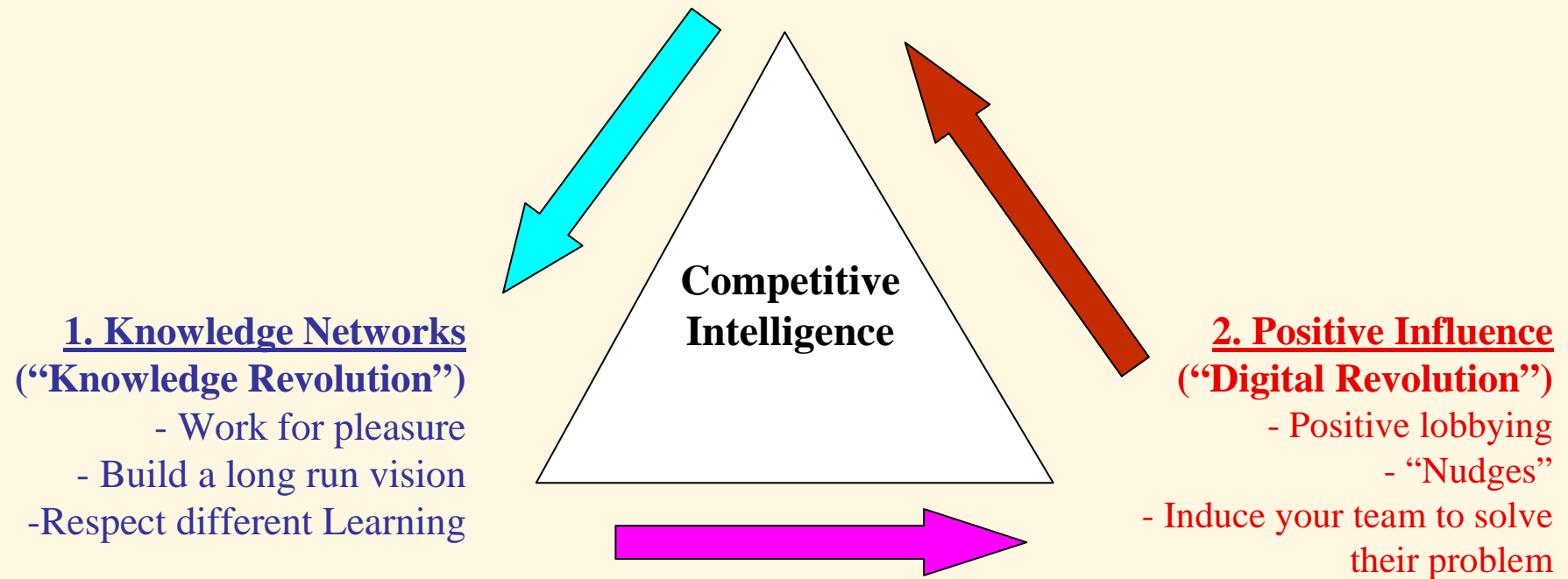


Source : James, 1892, Simon, 1951, Watzlawick, 1972, Goleman, 1990, Ben-Sahar, 2007, Achor, 2010, Kahneman, 2011, Thaler et Sunstein, 2012, Dolan, 2014

## 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

**C. Baulant : Linking Happiness and Efficiency, ESSCA, Angers, October, 12th, 2017.**

# 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.



## **Bibliographie**

Achor, Shawn. *The Happiness Advantage*, New-York, Grown Business, Random House, 2010.

Aghion, Philippe, Nick Bloom, Richard Blundell, Rachel Griffith & Peter Howitt. “Competition and Innovations: An Inverted-U Relationship.” *Quarterly Journal of Economics* 120, 2 (2005): 701-728.

Ansoff, H. Igor. “Managing strategic surprise by response to weak signal.” *California Management Review* 18, 2 (1975): 21-33.

Atlan, Henri. *Entre le cristal et la fumée: Essai sur l'organisation du vivant*. Paris: Seuil, 1979.

Attali, Jacques (groupe de réflexion présidé par). *Pour une économie positive*, Paris, Fayard, la Documentation Française, 2013

Baulant, Camille. “The Role of Networks for Helping Firms and Countries Invent New Competitive Strategies Well Adapted to the World Knowledge Economy.” *Journal of Economics Issues* 49, 2, (2015): 563-573.

Baumard, Philippe, Harbulot, Christian. "Perspectives historiques de l'intelligence économique", *Revue d'intelligence économique*, Vol. 1., No. 1, Mars (1997): 50-65.

Ben-Sahar, Tal Happier: *Learn the secret to daily joy and lasting fulfilment*, New-York: Mc Graw-Hill, 2007.

Bertalanffy, Ludwig von. *Théorie générale des systèmes, première édition 1968*, édition française, Trad: Jean Benoist Chabrol, Paris, Dunod, [1968] 1973.

Brown, John S & Paul Duguid. "Organizational learning and communities-of practice: towards a unified view of working, learning and innovation." *Organization Science* 2 (1991): 40-57.

Collins, Jim. "Level 5 Leadership: the Triumph of Humility" *On leadership*, HBR's 10 Must Reads, Boston, Massachusetts: Harvard Business Review Press, [2001] 2011: 115-136.

De Vinci, Leonard. *Les carnets de Léonard de Vinci, traduction françaises 1942*, 2 vol., Paris, Ed Gallimard, coll TEL [1519] 1987.

Dehaene, Stanislas. *Le code de la conscience*, Paris, ed O. Jacob, 2014.

Dolan, Paul. *Happiness by Design, change what you do, not how to think*, New-York, Hudson Street Press, 2014.

Easterlin Richard “Does Economic Growth improves the Human Lot?, *Nations and household in Economic Growth, essays in honor Moses Abramovitz*, New-York, by Paul A. David and Melvin W. Reder, Academic Press, 1974.

Foray, Dominique and Bengt-Åke Lundvall “The knowledge-based economy: from economics of knowledge to learning economy” in Foray & Lundvall (Eds) *Employment and Growth in the Knowledge Economy*, Paris, OECD, 1996.

Goleman, Daniel. “What Makes a Leader?” On leadership, HBR’s 10 Must Reads, Boston, MA, Harvard Business Review Press [1996] 2011: 1-22.

Garvin David A. and Michael A. Roberto. “What you don’t know about making decision.” *On making smart decision, HBR’s 10 Must Read*, Boston, Massachusetts: Harvard Business Review Press, [2001] 2013: 75-94.

Hume, David. *Dissertation sur les passions : traité sur la nature humaine*, livre II, Paris, Flammarion, [1759], 1991.

Inglehart, Ronald & Wayne Baker. “Modernization, Cultural Change and the Persistence of Traditional Values.” *American Sociological Review*. Vol 65, February, 2000: 19-51.

Jakobiak, François, *L'Intelligence Economique, la comprendre, l'implanter, l'utiliser*, paris, Editions d'Organisation, 2004.

Kahneman, Daniel *Thinking, fast and slow*, United-Kingdom: Penguin Books, 2011.

Koestler, Arthur. *Génie et folie des l'homme, le cheval dans la locomotive* (le paradoxe humain).Paris : Edition Calman-Levy, 1988.

Kühn. *La structure de la révolution scientifique*, Paris, Flammarion, nouvelle édition,

Langer, Ellen J. *Mindfulness*. Reading, MA: Addison Wesley. 1989.

Langer, Ellen J. *The Power of Mindful Learning*. Reading, MA: Addison Wesley. 1997.

Le Moigne, Jean-Louis. *La modélisation des systèmes complexes*, Paris, Éd. Dunod. [1990] 1995.

Levet, Jean-Louis. *Intelligence Economique, mode de pensée, mode d'action*, paris, Economica, collection l'IE,

Mill, John Stuart (1981). Thoughts on poetry and its varieties. In J. M. Robson & J. Stillinger (Eds.), *Collected Works of John Stuart Mill, Vol. 1. Autobiographical and Literary Essays* (pp.343-365). Toronto, Canada: University of Toronto Press. [1833] 1981.

Morin, Edgar. *La méthode : la nature de la nature*. tome 1, Paris: Edition Le Seuil [1977] 2nd édition, 1981.

Muldoon, Ryan. “Diversity and the Division of Cognitive Labor.” *Philosophy Compass*, 8/2 (2013): 117-125.

Piaget, Jean. *le Comportement, moteur de l'Evolution*, Ed. Callimard, Collection Idées, Paris, 1976.

Porter, Mickael E. Competitive advantage of Nations. *Harvard Business Review*, March-April issue: 73-91, 1990.

Porter, Mickael E. and Mark R. Kramer. Creating Shared Value, *Harvard Business Review*, January 2011 Issue. <https://hbr.org/2011/01/the-big-idea-creating-shared-value>

Senik Claudia, Sarah Flèche and Andrew Clark, “The great happiness moderation”, Paris School of Economics, 2012.

Shapiro, Carl and Joseph E. Stiglitz. Equilibrium Unemployment as Worker Disciplines Devices. *The American Economic Review*, vol 74, 3, 1984, pp 433-444.

Stiglitz, Joseph E., Amartya Sen & Jean-Paul Fitoussi. *Commission sur la mesure des performances économiques et du progrès social*. Paris, July, 25th, 2008.

Seligman, Martin E. P. *Learned Optimism: How to Change Your Mind and Your Life*. New York: Knopf. Reprint edition, Penguin Books, reissue edition, Free Press [1991] 1998.

RUSSELL, B. (1958). *The conquest of happiness*. New York, NY: Liveright. (Original work published 1930)

SALOVEY P., & MAYER J.D. (1990). Emotional intelligence. *Imagination, Cognition, and Personality*, 9, 185-211

SEVERINO Jean-Michel et Olivier Ray. Le Grand Basculement, Paris, Odile Jacob, 2011.

Simon, Hebert A. *Le nouveau management (The New sciences of Management Decision)*, Paris, Economica, 1961.

Smith, Adam. *Théorie des sentiments moraux*, Paris, PUF, [1750], 1991.

Smith, Adam. *Recherches sur la nature et les causes de la richesse des nations*, Paris, Flammarion, [1776], 1991.

STERNBERG R, 2007 : «Pour une intelligence efficace», entretien avec Claudie Bert, Sciences Humaines, n 179, février, p 20

STIGLITZ, Joseph E., Amartya Sen & Jean-Paul Fitoussi. *Commission sur la mesure des performances économiques et du progrès social*. Paris, July, 25th, 2008.

TALEB NN, 2012 *“le cygne noir, la puissance de l'imprévisible*, les Belles Lettres, Paris.

Thaler, Richard H. & Cass R. Sunstein. *Nudge, la méthode douce pour inspirer la bonne décision*. Paris, collection Pocket, Editions Vuibert, [2008] 2010.

TINOCO C [2014] *Intelligents, trop intelligents, les sur-doués : l'autre côté du miroir*, JC Lattès, Paris.

Valéry Paul. *Œuvres complètes* (2 t) et *Cahiers* (2 t.), Paris, Collection La Pléiades, NRF,

WISMAN H (2014) “la dialectique entre raison et croyances” France culture, la “grande table”, mardi 30 septembre, 12h55. <http://www.franceculture.fr/emission-la-grande-table-2eme-partie-la-fin-des-grands-clivages-25-2014-09-30>

Watzlawick Paul (with Beavin, Jackson) *Une logique de la communication*, Paris, Seuil, 1972.

Wilensky, Henry. *Organizational intelligence: Knowledge and policy in Government and industry*. Basic Book, New-York, 1967.