

World Forum for a Responsible Economy

24 October 2013 Lille, France

The importance of happiness in business strategy

The importance of happiness...



- 1. Welcome & Introduction (Isabel Sebastian, 5 minutes)
- 2. What is happiness and could it be a leverage point to create a responsible economy?

 (Isabel Sebastian, 10 minutes)



3. A story from France (Alexandre Gerard, Inov On, 10 minutes)



4. A story from Virgin Unite (Diane Osgood, Virgin Unite, 10 minutes)



- 5. Moderated panel discussion (Stuart White & Isabel Sebastian, 20 minutes)
- 6. Questions from the audience (20 minutes)
- 7. Concluding remarks

Reflecting on Happiness ...

mixed messages...

Company advertising tells us happiness is....



Wise men tell us that....

"Those only are happy who have their minds fixed on some objects other than their own happiness" J.S. Mill (1873)

"Happiness is the practice of virtue"

Aristotle (322 BC)

"The mind is the source of all happiness and unhappiness."

Buddha (500 BC)



What determines happiness & wellbeing?

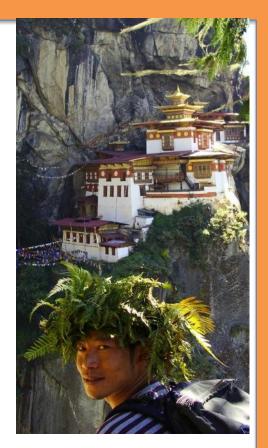
OECD Guidelines for measuring subjective wellbeing (2013):

- Affect experience of positive and negative emotions at a particular point in time;
- 2. Life evaluations reflective assessment on a person's life; and
- 3. Eudaimonia experience of a sense of meaning and purpose in life.



The six most important determinants of happiness that explain the **differences between countries** are:

- GDP or **income** per person;
- years of healthy life expectancy;
- having someone to count on in times of trouble;
- perceptions of corruption;
- prevalence of generosity; and
- freedom to make life choices.



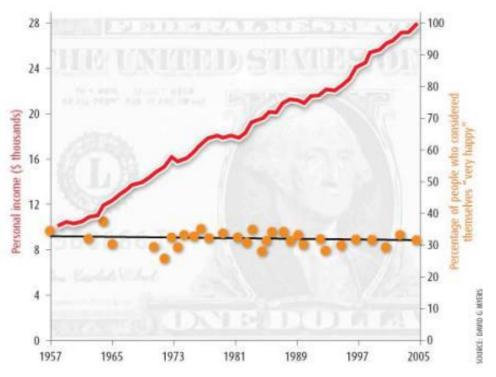
Other research found that **individual happiness** is determined mostly by....:

- Genetics and upbringing
- Employment or valued engagement
- Income ... up to a point
- Health
- Relationships
- Psychological Wellbeing & sense of purpose in life

The Dilemma....

HAPPINESS IN LIFE VS ANNUAL INCOME

A rise in income has no effect on happiness





Current approaches to happiness & wellbeing in business strategy....

Shareholders
Dividends = Happiness

Customer

Satisfaction = Happiness

Staff
Happiness &
Wellbeing

Business
Strategy
& Success

- Measure of Success
- Purpose of business
- Shift focus from 'more' to 'better'
- Business Model

Hierarchy of Needs....

Transcendence

Helping others to self-actualise

Self-actualisation

personal growth, self-fulfillment

Aesthetic needs

beauty, balance, form

Cognitive needs

knowledge, meaning, self-awareness

Esteem needs

achievement, status, responsibility, reputation

Belongingness and Love needs

family, affection, relationships, work group, etc

Safety needs

protection, security, order, law, limits, stability, etc

Biological and Physiological needs

basic life needs - air, food, drink, shelter, warmth, sex, sleep etc

Emerging opportunity:

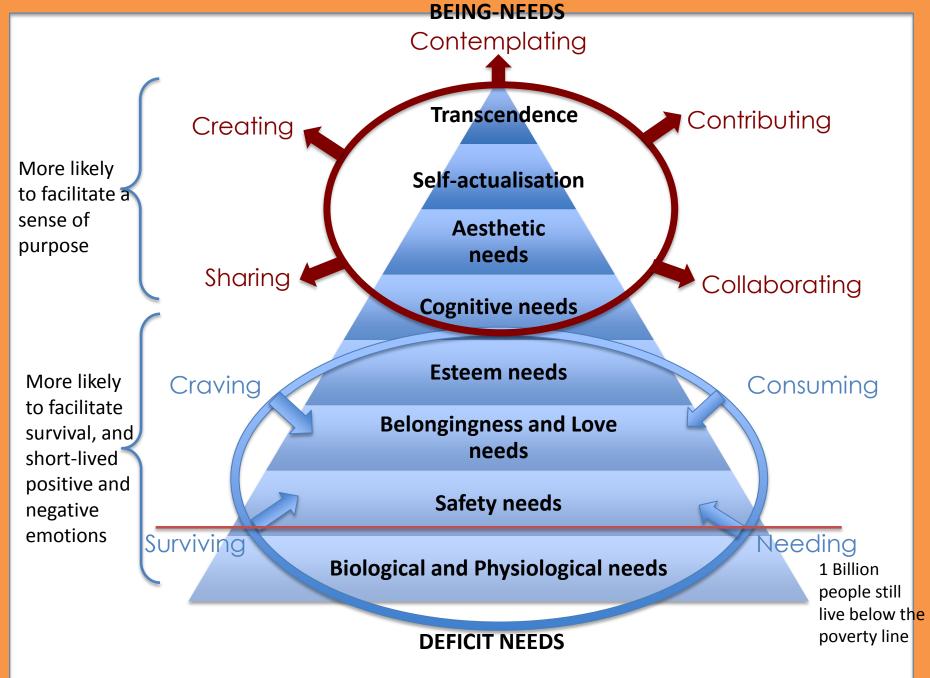
very few businesses focus on engaging with their stakeholders to fulfil Being-Needs

DEFICIT NEEDS

BEING-NEEDS

Current Business Models: mostly based on creating and fulfilling more Deficit-Needs, resulting in overconsumption

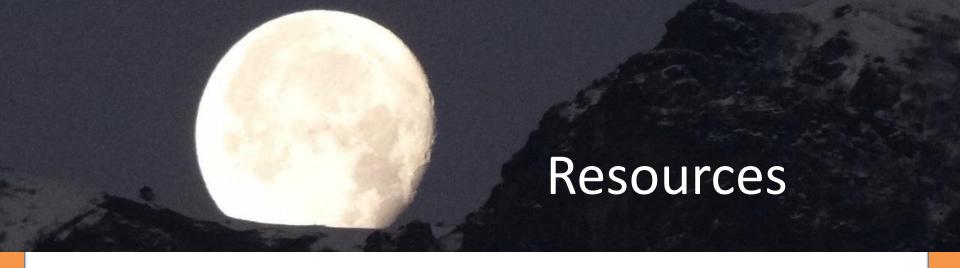
Source: Eight-staged model of Maslow's Hierarchy of Needs (1970)



Great examples of business engaging with this idea...

- B & Q sells DIY hardware products
- Online platform for neighborhoods to connect with each other and share tools and skills
- There is no revenue generated out of street club BUT it energises the DIY market
- At the same time B & Q has committed to developing over a 1,000 close loop products in the next 3 years



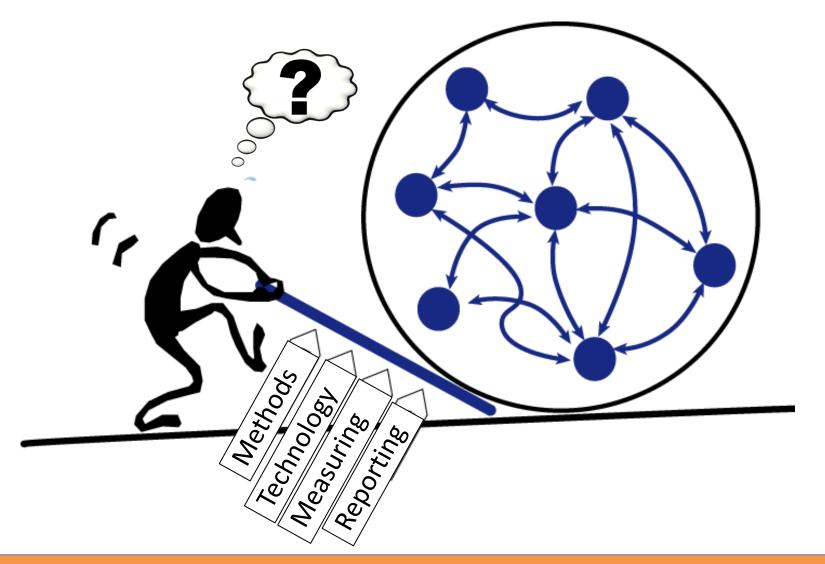


- World Happiness Report (2013), by UN Sustainable Development Solutions Network at http://unsdsn.org/happiness/
- OECD Guidelines for measuring subjective well-being, at http://www.oecd.org/statistics/guidelines-on-measuring-subjective-well-being.htm
- The UN Global Compact Accenture CEO Study on Sustainability 2013, at http://www.unglobalcompact.org/resources/451
- New economics, happiness and implications for business (2013), Isabel Sebastian, Institute for Sustainable Futures, please send mea an email for a copy of the report Isabel.Sebastian@uts.edu.au

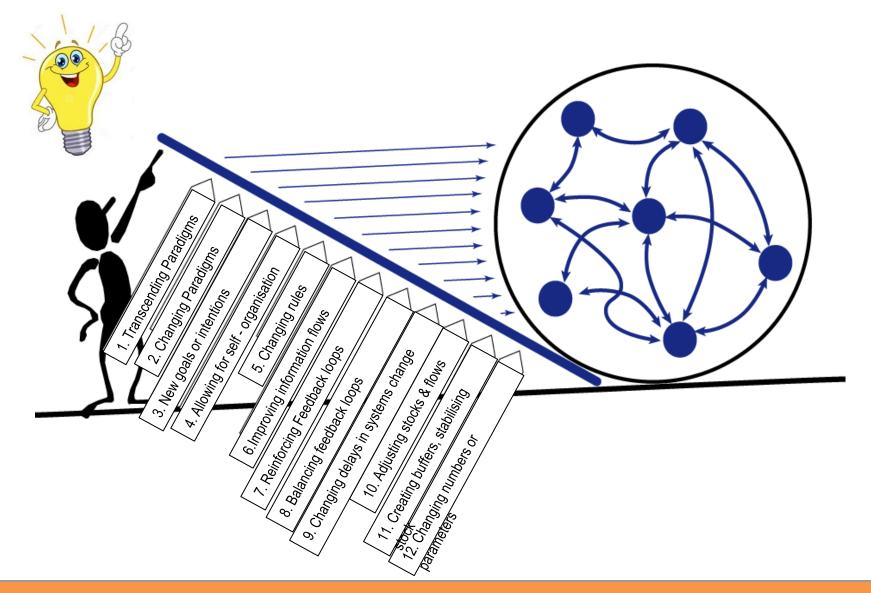
The End



How do we create effective systems change ... to accelerate a responsible economy?



Using the longest levers possible



Current approaches to happiness & wellbeing in business strategy....

