



# white paper



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## **1. Background**

This paper provides a deep understanding of the underlying concepts of The Happiness Score and Organisation Wellbeing Frameworks. Certain matters are a work in progress and material in this document may change over time as we continually evolve and adapt to changing trends and market needs.

### **1a. The Challenge**

Countless studies, research, and surveys report how unhappy most of our societies are nowadays. Above all, the World Happiness Report<sup>1</sup> – edited in its 2016 version by John Helliwell, Richard Layard, and Jeffrey Sachs – highlighted tremendous inequalities in happiness among countries and a low global happiness rate in the world. With a sample of 126 countries, the WHR surveyed people to value their lives today on a 0 to 10 scale, and it reported that over 65% of the global population is considered as unhappy (self valuing under 6).

#### **Why such an observation?**

Our economies are shaped in a way that their agents are slowly becoming weaker, in terms of economic power, health, and environment. From the lack of economic growth that developed economies are currently facing – Western countries mainly – keeping high unemployment rates<sup>2</sup> and rising inequalities, to the rising need of increasing our individual productivity at work – subjecting us to burnouts and other mental and physical illnesses – it seems urgent to do something about preserving our health.



Another recent and terrible fact is that the Earth Overshoot Day – the day people consume resources more than the planet can regenerate in a year – is getting earlier as years pass (December 31 in 1986 to August 1 in 2018). Our current economic system fosters companies to increase their market shares and sales, entailing their need to produce more, and to attract more consumers. Both companies – by producing and selling products from limited resources – and consumers – by buying these products – are harming the planet and endangering our longevity as humans.

We have the nagging worry that the capitalist approach to economics might not be properly serving our best collective interests. And yet a world without business seems scarcely realistic, as it is a central human activity. The goal is not to get rid of commerce, but to get it to serve our long-term interests better, and ultimately, be globally happy<sup>3</sup>.

We aim to bring happiness and responsibility to the top of the agenda for every business, their strategy and their short and long-term plans. We trust this will drive their productivity and ensure their long-term success.



## **2. Happiness**

In context of this challenge, we put an emphasis on clearly defining how businesses generate happiness.

Happiness needs to be thought from an individual perspective, and thereafter, from the business perspective. It means when you have set the outline of one's happiness, you can look for how a business could influence this outline.

Reactions can come up reading "one's happiness" - true, your happiness is not mine. But ultimately, we look for the same feelings (love, comfort, enjoyment, recognition, achievement, belonging, etc.), just walking towards it is different from one to another.

### **2a. Individual perspective**

To quote Richard Layard, founder of Action for Happiness, happiness is about "feeling good about your life, and wanting to go on this way" <sup>4</sup>.

Let's keep it simple. An individual can split his daily life into three general parts: work, leisure, and time to fulfil his own needs as a human (sleep, eat, etc.). Usually our mind is travelling through different timelines – sometimes we focus on our day, our week, or sometimes we look at the big picture and think about our overall lives. Sometimes we are overwhelmed by emotions that keep us in a fixed moment. The complexity in defining happiness is to derive it from these different timelines, and see within the three parts of a day (work, leisure, needs), where a business can influence one's happiness.



The Happiness Research Institute<sup>5</sup> defines happiness as three-dimensions of well-being:

- Cognitive dimension: overall life satisfaction
- Affective dimension: positive / negative emotions experienced in a daily basis
- Eudemonic dimension: purpose and meaning in one's life.

There we distinguish the different timelines – a short-term hedonic happiness where people strive to get as many positive emotions as possible (enjoyment, pleasure, etc.), and avoid negative ones (pain, anger, jealousy, etc.), and a long-term eudemonic happiness based on the search of purpose and meaning in one's actions. In a way, we are all both hedonist, and eudemonist, our uniqueness lies in the proportion of these two in ourselves.

But what factors in our daily life are essential to our happiness?

We gathered many theories of happiness into a holistic pattern, from philosophers, economists, religious thinkers<sup>6</sup>, to Martin Seligman's PERMA – Positive emotions, Engagement, Relationships, Meaning, Accomplishment – model<sup>7</sup>.



In order to achieve happiness, an individual needs:

- Decent work (working conditions, health at work, wage and benefits)
- Command over material resources (economic power in his consumption)
- Personal freedom of actions (ability to develop oneself personally and professionally – libertarianism of Mill, Nietzsche, and Hayek)
- A good governance (respect, and security)
- Social trust within his community (good relationships, belonging)
- To cultivate mindfulness and virtue (improving mental health)
- Regular positive emotions in the day (love, pleasure, enjoyment, and stimulation)
- Deep meaning and purpose (achievement, usefulness, recognition, impact, and fulfilment).

Thus, hedonism and eudaemonia can be found in each of the previous points, and be applied in each moment of the day. For instance, at work, positive emotions such as pleasure and excitement can be generated through team building activities with co-workers, or pride can arise from a reward an employee receives for having done his task well. Achievement when employees get promoted as well. Eudaemonia appears if the business is involved in improving the society, or the planet. Throughout leisure time, cafes for instance bring enjoyment because it offers the ability for the customer to share a moment with his family or friends. And if the cafe reinvests a part of its profit to causes helping disadvantaged communities, it brings eudaemonia. Each moment spent throughout the day can bring instant and/or deep happiness.



## 2b. Business Perspective

Alongside these previous considerations, let's now have a look at how a business can affect each point in the holistic view of happiness above.

To paraphrase Pope Francis, in his *Laudato Si'*, humans need to be considered in all contexts: as moral agents, members of society, agents in the economy, and parts of Nature itself<sup>8</sup>. We apply this statement to businesses as well. A business is an entity that has both an endogenous functioning (employees' management) and an exogenous functioning (how/where they operate, and the relationship with customers).

Therefore, it made sense to us that a business needs to bring happiness towards its four stakeholders: ensuring the well-being of its **employees**, making its **customers** happy, and being responsible towards the **environment** and the **community** in which it operates.

In order to know how a business can generate happiness among its stakeholders (hedonic and eudemonic practices towards employees and customers, and responsibilities towards the planet and the community), We have crossed policies of many governments towards the well-being of their population and their environment.





The study of the Gross National Happiness of Business used by the Government of Bhutan<sup>9</sup> is prominent in our definition of a happy business, and the studies of other countries (Denmark<sup>10</sup>, Australia<sup>11</sup>, Canada<sup>12</sup>, Hong Kong<sup>13</sup>) completed our understanding. Besides, Sheikh Mohammed Bin Al Maktoum's work on positivity and the different recommendations made by the government of the United Arab Emirates<sup>14,15</sup> brought significant and essential insights in our final definition of a happy business.

### **2c. What is a good – happy - business?**

A happy business ensures internally the well-being of its employees, acts externally in a benevolent and responsible way, and makes sure to have an impact on the happiness of its customers.

The well-being of employees takes the following concerns into account:

- Time use – giving a satisfying work-leisure balance
- Living standards of the employee – in terms of wage, and benefits
- Development – enabling employees to develop personally and professionally
- Workplace – making sure the work environment is favourable for well-being, and nurtures positivity.
- Health – showing care of the business to its employees
- Financials of a business that could stress employees' job security.



Furthermore, a business operates benevolently in a sense that:

- It has a good governance – essential to bring trust, respect, and ethics
- It shows cultural diversity and resilience regarding its community
- It operates in favour of its community's vitality
- It has ecological responsibilities – through its carbon footprint, its supply chain, and its eco-practices.

And lastly, a business as provider of goods and services, brings happiness as:

- It generates positive emotions such as pleasure (in fulfilling basic needs such as thirst, hunger, and sleep), enjoyment entailing laughs, mood boosters, and stimulating creativity / imagination / intellect of the customer,
- It empowers the customer to increase its independence, self acceptance, self love, and self awareness,
- It spreads positivity, optimism, mindfulness, compassion, and/or altruism through its product/service.



### 3. The Happiness Score

Based on the definition of a happy business set above, we have built a tool assessing the happiness outcomes of a business following the three areas: internal well-being, benevolent operations, and the impact on happiness.

We assess businesses on a 0 to 100 scale, making sure that good practices are rewarded with additional points, and bad practices are penalised with negative points.

We don't forget to consider each business in its own context (industry, size, and country of operations), and makes sure that a business is compliant with the regulations required in the country of operations.

	Score
Internal well being	40
Benevolent operations	35
Impact on happiness	25

**Table 1. Scoring**



#### **4. Conclusion**

Happiness, in its common sense, takes on its full meaning when you talk about customers and employees. There we focus on how a business is generating hedonic and eudemonic happiness internally (within the workplace) and externally (through its product / service).

As an entity, a business provides to its workers well being in terms of love, achievement, recognition, belonging, and usefulness. It enables workers to shape their identity on their own, reach their potential, and grow towards fulfilment. But also, as a provider of a good or service, a business can impact the hedonic and eudemonic happiness of its customers.

But most of it can't be reached with bad practices towards the community and the environment. How can employees feel deep meaning in their work while it's polluting the ocean, increasing inequalities within the community, or killing animals for their products?

From our perspective, responsibility is necessary to reach happiness.

We deeply believe in the rising commitment of the general mindset towards a more ethical, responsible, and benevolent economy. We deeply believe in a happy economy!



## **5. Important Note**

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