Behavioral Sciences Dimensions in Indian Innovation Context

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Scope

1. The concept of trust, influence and power in a social network.

2. Shared privacy in social networks

3. Role of social curation on buying behavior

4. The impact of local culture in social commerce

If the economy were to improve what would your employer do?

A. Nothing – why should he help me just because the economy goes up?

B. Well the economy improves means the market for my services improves so my employer would realise out of self-interest that he would have to raise my wage in order to keep me.

C. My employer is a nice person and he would recognize that he should share the benefits with his employees.

- The **economists** all picked B, or most of them picked B! They **think that market forces dominate.**

- Whereas very few of the non-economists did: they thought either their employer was a bad guy which is A, or their employer is a nice guy, that's C.

- So there's a different worldview . If people think that fairness is such an important thing in labor contracts then modeling the world as if it's of total insignificance is wrong.

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Significance of behavioral sciences

- **Robert Shiller of Yale University**:
  - That's why a lot of economists don't like this. Maybe with some justification they'll say that there's too many details in this theory, you can explain anything with it. But I'm un-persuaded by that criticism because, first of all, **we can work on this and study people more and understand what psychological principle is relevant**. And secondly, **it doesn't help to have a theory based on wrong assumptions.**
  - Economists just sometimes don't see the obvious, they don't rely on mental faculties of human judgment that they have as well as not relying on a broader view of people that's informed by psychological or sociological research.

The Age of the Neurosciences

Context

- 1.5 billion and more as of 2012 have gone 'social' on IT enabled platforms that enable sharing
- Facebook - 900 million users, Google+ has about 250 million. Google+ is growing much faster than Facebook ever did?
- **INDIA** 1,189,172,906 population (2011) –
  - 121,000,000 Internet users as of Dec.31, 2011,
    - 10.2% penetration, per IWS.
  - 45,048,100 Facebook users on Mar 31/12,
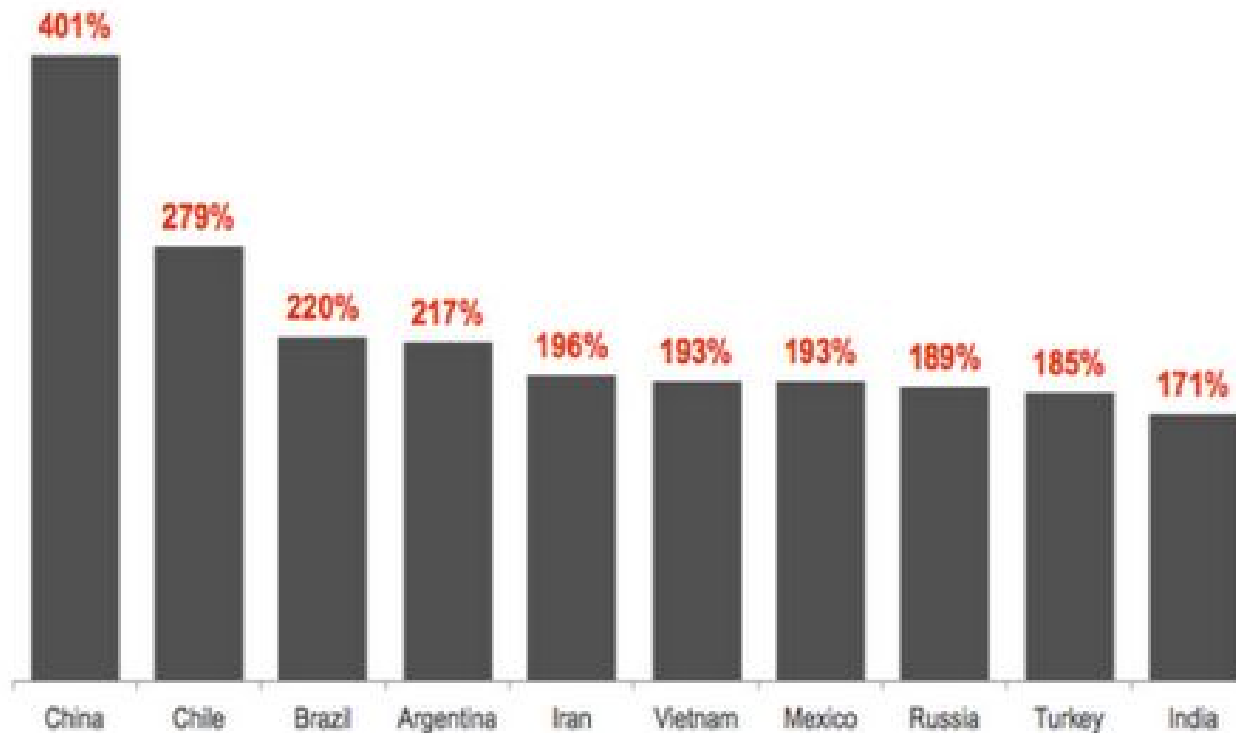   - 3.8% penetration rate.
      (Source : http://www.internetworldstats.com/asia.htm)

Indian Communication Context

- **Telephone Subscribers (Wireless and Landline):** 960.9 million (May 2012)

- **Land Lines:** 31.53 million (May 2012)

- **Cell phones:** 929.37 million (May 2012)

- **Monthly Cell phone Addition:** 8.35 million (May 2012)

- **Teledensity:** 79.28 % (May 2012)

- **Annual Cell phone Addition:** 227.27 million (March 2010 - 2011)

- **Projected Teledensity:** 1.159 billion, 75% of population by 2013.

  Source: (http://en.wikipedia.org/wiki/Telecommunications_Statistics_in_India)

- **Internet Users:** Number of Internet users in India is the **3rd largest in the world** next only to China and the United States of America.

- It must also be noted that **40%** of all internet users in India are connected to the net **only via their mobile phones.**

- **Broadband :** Broadband in India is defined as 256kbit/s and above by the government regulator. Total subscribers were **14.31 million** (May 2012).

Is India all that fast?

Fastest Growing iOS & Android Markets by Active Devices

Country	Growth
China	401%
Chile	279%
Brazil	220%
Argentina	217%
Iran	196%
Vietnam	193%
Mexico	193%
Russia	189%
Turkey	185%
India	171%

FLURRY   Source: Flurry Analytics, July 2011 – July 2012, countries with at least 500k active devices as of July 2011

From the Explicit to the Tacit

- The **more interesting factors are unquantifiable** - not just for social networks, but for most important things in our lives.

- For example, we use unquantifiable criteria for choosing a spouse, or deciding things like which clothes to wear or which foods to eat, or maybe to even buy a mobile phone!!

Stephen Covey said, "Empathy takes time, and efficiency is for things, not people."

Everyday Math?

- A bat and ball together cost $1.10

- The bat costs one dollar more than the ball.

- How much does the ball cost?

- People who avoid the spontaneous answer have more active minds

- The failure to check is because the cost of checking is so low

- More than 50% of students at Harvard, MIT, Princeton gave the intuitive wrong answer.

The economy of action

- People will eventually gravitate toward the least demanding course of action. Laziness is built deep into our nature.
- Material decays in memory in the course of driving effort towards attention.
- Self-Control and deliberate thought apparently draw on the same limited budget of effort.
- Frequent switching of tasks and speeded up mental work are not intrinsically pleasurable.
- Familiarity is not exactly distinguished from truth in one's context.

Our faith in intuition too high to be productive?

- Cognitive strain rejects intuition and brings on error detection
- Intelligence is also about finding relevant material from memory and putting it to play in a situation
- People who are cognitively busy are more likely to make selfish choices and make superficial judgments in social situations. **Cognitive load reduces self-control.**

The Superhighway and the tough road

- **System 1** : operates quickly and with little or no effort and no sense of voluntary control

- **System 2** : allocates attention to the effortful mental activities that demand it, including complex computations. The operations of System 2 are often associated with the subjective experience of agency, choice and concentration.

From the coalface to the Fire

Mike Elgan, Sparta, Greece

- The single most important metric is a difficult measurable. That metric or quality is: *a sense of human connection*.

- Proposition for a heuristic:

    – *India a largely Facebook country, USA on Google+ in the next 5 years!*

- What part of this answer lies in availability of technology, what part is explained by cultural norms and attitudes to sharing and learning in our challenging world?

Traditional Tastes?

The delivery chain remains the same, but the food, and where it is coming from has changed.

- The kitchen has to start cooking at 11 p.m. With hundreds of different meals, all with specific calorie counts, Calorie Care relies on software to keep everything straight.
- Once the food is prepared and ready, it can finally be packed up in plastic wrap, at around 3 a.m.
- Pick-Up at 9 a.m.

- 200000 deliveries by 5000 dabbawallas on every workday

Source : http://www.npr.org/blogs/thesalt/2012/08/28/159982983/in-india-100-year-old-lunch-delivery-service-goes-modern?utm_source=NPR&utm_medium=facebook&utm_campaign=20120828

Traditional Tastes

The delivery chain remains the same, but the food, and where it is coming from has changed.

- **Reg Yeah (OohYeah)** wrote:

The culture and history of India play a large role in why this phenomenon occurs. For one, due to religious dietary rules, it is forbidden for many observant Hindus, Muslims, and Jains to eat food prepared by strangers who don't know their own dietary restrictions. Also, up until very recently, the food in many restaurants in India was of dubious quality. Additionally, most Indian workers would return home at lunch to eat with their families and have a siesta, however, in large cities this is impossible which is why lunch is delivered to the office. Indian food requires hours of preparation and is usually eaten fresh off the stove. It would be impossible for people to wake up early enough to cook their lunches, which is why mothers and wives do the cooking in the morning and have it delivered to children and husbands at noontime. This new business the article refers to is probably used mostly by people whose spouses work outside the home or young people whose families live outside the city in which they work.

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Role of Culture in Innovation

- **Findings** – The collaborative learning practices that underpin idea generation and realization in organizations are strongly dependent for their effectiveness upon the availability, within and beyond stakeholder networks, of trust and other key social capital resources.

- **Practical implications** –
  - If innovation is dependent upon social capital resources, such as trust, **then leadership endeavor (stewardship)** needs to be much more focused upon the creation of a social environment that nurtures rich stakeholder and other relevant networks through relationships.
  - New forms of governance and power management, and more appropriate and aligned organizational structures, are required in organizations that are attempting to compete through innovation.

Trust and Innovation

- One needs trust under uncertainty and in innovation uncertainty is high. This is related to a paradox of information concerning trust.

- On the one hand trust requires lack of information, since it entails risk of vulnerability to actions of others. On the other hand, trust is seldom completely uninformed, and is to some extent based on information, in attributions based on observed or reported behaviour.

- Trust entails uncertainty of conditions, conduct or outcomes that may be calculable (usually referred to as 'risk' in this technical sense) or incalculable (radical uncertainty)?

Trust and Innovation

1. Due to relatively **high uncertainty** under innovation, concerning **future conditions** (technology, markets), **actions** (options and choices, for both self and other) and **outcomes**, *control is relatively difficult and therefore trust is more needed*.

2. For contracts, it is *more difficult to specify conditions*, actions, outcomes, responsibilities, ownership and rewards, particularly in exploration. If nevertheless one imposes contracts, those will constrain the scope for improvisation and changes of direction that innovation requires.

3. For both contracts and hierarchical control, *monitoring is relatively difficult when innovation is going on.*

4. If outcomes or actions are less specified, deviance is less defined. And *how can one judge novelty, in the absence of benchmarks?*

5. Particularly in innovation, one often engages in partnerships because the partner can offer competencies that one does not have oneself, and *how then does one judge those competencies?*

Todorov's research on judgment – safety in interaction with strangers

- Two factors stood out - likeability and dominance
- Strong chin (more rounded) and smile of confidence
- Survival Advantage primes us to do the following to judge competence
  - Combine 2 dimensions –
    - Strength and Trustworthiness
- Election winners across US, Finland, Australia, Germany, Mexico – were those who earned a higher 'competence' rating than likeability

What can we know from analytics of virtual behaviors and identities in India?

Kahneman (2011)

Into the future in India

- Blurring of 'social' boundaries into that of 'organization'; private lives in public space
- 'Interaction workers' or employees whose work requires independent judgment through complex interaction with other people – one of the fastest growing population of employees - (MGI Report 2012)
- Clash of cultures is precipitated by attitudes to technology. Conservatism and Modernism may clash more often in the fields of 'available perception' or 'sense-making'. Repetition of such clashes may make it easier for novelty to feel 'normal'.
- For change or innovation to occur in our lifetimes, inter-generational learning is inevitable.
- Perhaps also, that those who avoid the sin of intellectual sloth could be called more 'engaged'.