

Project ‘REDISCOVERY’

A guide to long-term survival for Western organisations

To what extent is your organisation harmed by internal biases or delusions?

‘More than you may think.’

The Western world is struggling. Not in terms of GDP growth (yet) but in terms of its identity, institutions, societal indicators and future prospects. Whether you are a private company, a public sector department or a political party, chances are that you are currently confronted with historically high dissatisfaction—anger even—with your products, administration or discourse. Some particularly controversial focal points are covered daily by (social) media: data centres, AI fall-out and uninspiring leadership are a permanent source of ire among the general population. Words such as “enshittification” and “shrinkflation” have entered everyday conversations, and there is a general gloom that seemingly no organisation, private or public, can escape.

The consequences to your organisation’s long-term prospects can be severe. If you provide consumer goods, brand loyalty and interest in premium products are likely to evaporate. If you provide government services, then social and political support diminishes while your staff becomes increasingly disillusioned, harming operations. If you are a political party, your voter base and societal relevance are ever more difficult to maintain.

Much has been written about all of this in terms of struggling brands, democratic dissatisfaction and the rise of political extremism. The role of technology, rising income inequality and an uncertain future have been extensively covered already and the general perception is that the Western system is somehow failing. But what is at the core of this malaise? And is your organisation a victim of—or unwittingly an active participant in—this process?

How can you identify destructive patterns within your own organisation?

‘Ask yourself the big, difficult questions that go beyond daily managerial urgency.’

A disconnect between what hyper neoliberalism incentivises and how people within that system experience reality leads to bad prioritisation of goals. While short-term objectives are reached, long-term societal legitimacy erodes. This can be identified through fundamental questions such as these:

- 01** What are the main objectives of your organisation?
- 02** Who are your stakeholders, and (how) do you contribute value to them?
- 03** Are there ways in which your operations affect stakeholders negatively?
- 04** What tools are available to you to enhance positive impact and reduce negative impact?

Long-term operations will be endangered through weakened societal legitimacy when:

- a)** the actor is insufficiently aware of its own purpose,
- b)** stakeholders are insufficiently identified, for example through ignoring the secondary impact of operations, and/or
- c)** negative overall impact outweighs positive social impact.

For many organisations, when it comes to actual decision-making processes rather than marketing, these questions are hardly ever seriously considered. In today's managerial environment, systems are often set up exclusively towards financial gains (private sector) or management of neoliberal environments (public sector), ignoring other fundamentals. It feels almost naive to question this. And yet, **it is a time-bomb which, ironically, endangers the long-term potential for private profit making and successful public management.**

Some examples of harmful neoliberal misconceptions about the broad societal purpose of organisations:

- “Governments exist to manage the economy and solve practical problems.” No, this is what the state (civil service) is for. Governments exist to provide leadership and vision, including to the state mechanisms responsible for management.
- “Companies exist to provide shareholder value.” No, shareholder value is only a necessary tool in a capitalist society. The societal purpose is to provide value to a much wider range of stakeholders, including to direct clients, staff and indirectly affected actors.
- “Education exists to achieve administrative goals, such as exams or other types of rankings.” No, again these are only tools to achieve learning and intellectual development of students. Unfortunately, there is often a conflict between administrative goals and this true purpose.
- “Technology, including AI, is great because it offers greater efficiency, productivity growth and abilities beyond our wildest imagination.” No, it is great if it strengthens human wellbeing. Whether it will depends on political choices, not technological progress.

How did these misconceptions happen?

‘Through the delusion of having solved history.’

Believing in its own invincibility during the late 20th century, the West mistakenly came to the conclusion that their core mix of liberalism, democracy and capitalism was no longer in need of further discussion or structural improvements.

The model had been wildly successful thus far in enhancing wellbeing and societal progress, and the idea was that as long as everyone played their role in the newly formed social and economic structures, all would be well.

In practice, this led to the private sector coming to believe that economic gain (profits and shareholder value) was their only responsibility, while the public sector was there to manage broad metrics and solve practical problems. This approach is what is now known as neoliberalism, and it is at the core of why your organisation might be struggling with fundamental questions. The private sector is inherently more than a money-making machine and the government is more than a manager of static structure. The systemic lack of recognition of this rather obvious truth is what we call the **Western Bubble**.

What is the problem?

‘Both private and public actors behave irrationally and against their own long-term interests.’

The key here is to understand that this is not about moral concerns but about long-term survival for the organisations in question. Companies are unavoidably social players: they affect the wellbeing of both customers as well as their own staff, as well as that of many secondary stakeholders. With shareholder value becoming the only systemic objective, companies deny huge chunks of their own identity and make sub-optimal operational and strategic choices. It leads to rot in the relationship with clients, staff as well as society at large and, ultimately, puts the companies’ existence in peril. This can be difficult to see when profits and stock markets are through the roof—especially when executives are trained to only think in those terms. But capable ownership and leadership will understand that their societal legitimacy does not simply come from shareholder value but from a much wider range of stakeholders. Without such legitimacy, no company can survive in the long-term.

Similarly, governments are more than managers. The socioeconomic structures they lead are never finished and will always require a longer-term vision and careful identification of stakeholders that are not always recognised by the managerially focused neoliberal system. The neoliberal system is static, ultimately unsustainable, and through the rise of populist alternatives is currently destroying the traditional political establishment throughout the Western world. Mainstream political parties ignore this at their own peril.

How can your organisation overcome the Western Bubble?

‘Through the identification of its internal neoliberal delusions and strengthening external societal legitimacy.’

As part of “Project Rediscovery” we map out these dynamics both at a general level as well as within specific organisations. In order to provide solutions, we identify the core of what made liberal democracies so successful during the 20th century and, specifically, what companies as well as governments offered in terms of societal relevance and value delivery. The 21st century has left these big questions largely unasked: What is the objective of their existence? Has neoliberalism created organisational delusions? Is going through the managerial motions enough to survive? Are internal operations in conflict with external legitimacy?

Please join “Project Rediscovery” and let us know your views and experiences.

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By Western Bubble Insights & Strategy