Written by Johan Nylander
Monday, 28 September 2009 03:55 - Last Updated Sunday, 27 September 2009 18:08

OPINION A look at Swedish socialism will help business leaders to ask fundamental questions about leadership and values, writes Alan Webber, founder of Fast Company and author of Rules of Thumb.

Related news:

- “Sweden hardly a socialist nightmare”
- Socialism to save America, economists say
- Swedish model to fight greed

It may not be big international news, but a lot of people were delighted to see The Daily Show with Jon Stewart win another Emmy award or two last night. Stewart and his team of writers have provided viewers with a remarkable blend of wit and truth that these times not only require but deserve.

Stewart's big night made me think of one of the funniest moments of his show in the last few months: In the darkest days of the economic crisis, while the Obama administration was bailing out banks and insurance giants, rescuing car companies and providing incentives to shore up the real estate industry, and being attacked for making America a "socialist country," Stewart dispatched a "journalist" to Sweden (The Stockholm Syndrome part 1 , part 2). If America was going to become a socialist state, why not go find out from the Swedes what life under the heel of the socialist system really felt like?

The send-up that resulted was, predictably, hilarious. This awful thing that Americans dread? This nightmare existence that threatens to wipe out life as Americans have come to know and cherish? This horrible threat to personal freedom and individual initiative? Somehow the Swedes managed to make it all look pretty appealing, actually, and quite sane, thank you.

But as is usually the case with political humor, underneath the laughter is a serious point.

Capitalism, in particular, American-style capitalism, is under serious stress. The recent global financial crisis almost produced a global meltdown, the kind that could have brought the world economy to its knees. It has brought about some serious talk among economists--notably Paul Krugman, writing in the New York Times--about what economists got wrong.

It has not lead to nearly enough discussion among business leaders, academics, and management thinkers about the lessons for those who actually make the decisions that the economists talk about. And so while the economists are trying to learn from their errors, my own fear is that, once the crisis has passed, business leaders will ignore the warning signs of this near-cataclysm and go back to business-as-usual.

What should the new business conversation be about?

Let's start with first principles. In Rules of Thumb, I introduce the notion of "asking the last question first." The last question is, "What's the point of the exercise?" In other words, what is our definition of victory in business? How do we choose to keep score? What do we tell ourselves and each other is the real purpose we aim to serve with our companies and our organizations, with our colleagues and our work lives?

In America, for decades the default answer to this question has been, "To increase shareholder value." The simple job of the CEO and the people in the company is to produce ever-increasing shareholder value. The company's stock price must go up! Certainly the heady days of the 2007s saw stock prices go up: just two years ago, the Dow was over 14,000. Of course we all know now that it was a bubble; that the stock market had been inflated, pumped full of bad paper and dishonest derivatives. So did the CEOs and their teams meet the test of "increased shareholder value?" Or did they subvert that test by cheating on the exam? Or should it even be the real test, the real purpose of a business? Isn't it time to come up with better, more sustainable answers?

The second idea I raise in Rules of Thumb is a personal test: I invite readers to ask themselves two simple questions. "What keeps you up at night?" and "What gets you up in the morning?" These questions are, in some respects, the personal side of "What's the point of the exercise?" asked for companies. What keeps you up at night? What do you care so much about that you lie in bed trying to come up with an answer? Is it something about your community? Your family? Is it a puzzle you're trying to solve that will release a new flood of your own energy? And what gets you up in the morning? Is there a project you can't wait to jump into? Do you really love your work--or are you just going through the motions? If you don't know what keeps you up at night, and you don't have anything that gets you up in the morning, then you have to ask yourself: What are you doing with your work and with your life? And why are you doing what you're doing?

The great lesson of this economic crisis, it seems to me, is that the old answers don't work any more. The old rules don't apply. And the old habits don't yield the outcomes they used to offer.

It's time for a new and fresh conversation. It's time for us to ask fundamental questions about leadership and values, about work and life--and come up with rules that correspond to our experiences today in a world that is undergoing vast and unpredictable change.

Ultimately, it's time for us to write our own new rules of thumb, and share them with each other, as we seek out new answers that will not only work for us, but also sustain us.

Alan M Webber
Founder of Fast Company, former managing editor of Harvard Business Review and author of the book Rules of Thumb that’s being released in Swedish in September.

• SIGN UP FOR FREE NEWSLETTER • ALL BREAKING NEWS ON TWITTER

{loadposition inline ad}