

The Illusion of Grandeur: Parallels Between the Great Gatsby and We Work's Rise and Fall

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Abstract

This paper explores the striking parallels between F. Scott Fitzgerald's *The Great Gatsby* and the real-life case of WeWork under CEO Adam Neumann. The analysis demonstrates how literature can provide valuable insights into contemporary business phenomena by examining themes such as illusion versus reality, the pursuit of unattainable dreams, and the eventual collapse of facades. The comparison underscores the timeless relevance of literary narratives in understanding and interpreting real-world scenarios, particularly in the context of business ethics, leadership, and corporate governance.

Introduction

Literature has long served as a mirror reflecting societal values, ambitions, and flaws. F. Scott Fitzgerald's *The Great Gatsby*, set in the wealthy yet morally ambiguous world of the Twenties, delves into themes of wealth, illusion, and the elusive nature of the American Dream. The novel's protagonist, Jay Gatsby, epitomizes the self-made man whose wealth and status are built upon fragile foundations and questionable means.

In the contemporary business world, similar narratives unfold, where ambitious entrepreneurs construct empires that, while impressive on the surface, may lack practical foundations. The rise and fall of WeWork, a company that sought to revolutionize the coworking space industry under the charismatic leadership of Adam Neumann, presents a modern parallel to Gatsby's story. WeWork's trajectory from a start-up valued at \$47 billion to a company on the brink of collapse mirrors the themes of illusion, overreach, and the inevitable consequences of unsustainable practices.

This paper aims to draw correlations between *The Great Gatsby*'s story beats and characters and WeWork's rise and fall. By analyzing these parallels, we illustrate how literature can provide profound insights into real-world scenarios, particularly in business contexts. The analysis not only enriches our understanding of both the novel and the corporate case but also emphasizes the enduring relevance of literary themes in contemporary society.

Literature Review

The intersection of literature and business studies is a fertile ground for interdisciplinary analysis. Scholars have often used literary works to shed light on business ethics, leadership styles, and organizational behavior. For instance, Shakespeare's plays have been analyzed for their insights into power dynamics and ethical dilemmas in leadership. Similarly, *The Great Gatsby* has been examined for its critique of the American Dream and the moral decay underlying the pursuit of wealth.

Previous studies have explored the applicability of literary themes to modern business practices. McAdams (2010) discusses how narratives shape organizational identity and influence stakeholder

perceptions. Furthermore, Kavanagh and O'Brien (2012) highlight the role of storytelling in leadership, emphasizing how charismatic leaders often craft compelling narratives to inspire followers.

In the context of WeWork, analyses have focused on the company's rapid growth, flawed business model, and the cult of personality surrounding Adam Neumann. Researchers like Cohan (2019) and Wiedeman (2020) have chronicled the company's rise and subsequent challenges, providing critical insights into the factors that led to its near-collapse.

This paper builds upon these studies by directly correlating the narrative arc of *The Great Gatsby* with WeWork's corporate journey. Through this comparative analysis, we aim to contribute to the discourse on how literary narratives can inform our understanding of contemporary business phenomena.

Gatsby's Illusion of Wealth and WeWork's Valuation

Jay Gatsby's lavish parties, opulent mansion, and extravagant lifestyle are all outward expressions designed to convey success and attract Daisy Buchanan's attention. However, the sources of his wealth are shrouded in mystery and tied to illicit activities such as bootlegging and other criminal enterprises. Gatsby's fortune lacks legitimacy and stability, rendering his social standing precarious.

Similarly, WeWork's astronomical valuation was a product of ambitious projections and the cultivation of an image rather than solid financial performance. Under Adam Neumann's leadership, WeWork positioned itself as a tech company, branding its coworking spaces as part of a broader technological and cultural revolution. This strategic positioning was crucial in attracting venture capital and achieving high valuations typically reserved for tech start-ups with scalable business models.

However, unlike traditional tech companies, WeWork's core business involved leasing physical real estate—a capital-intensive model with significant long-term liabilities. Mounting losses accompanied the company's revenue growth, and its path to profitability was unclear. WeWork's valuation reached \$47 billion, a figure that many analysts argued was unsustainable and disconnected from the company's financial realities.

The illusion of wealth and success in both cases was maintained through meticulous image crafting. Gatsby hosted extravagant parties to project affluence and allure, while WeWork invested heavily in marketing and branding to position itself as a market disruptor. In both narratives, the emphasis on appearances masked underlying vulnerabilities.

Leadership and Charisma

Both Gatsby and Neumann are characterized by their charisma and ability to captivate those around them. Gatsby's charm and mysterious persona make him an enigmatic figure who intrigues the other characters. Neumann's charismatic leadership was instrumental in attracting investment and talent to WeWork.

The Cult of Personality

Neumann cultivated a strong personal brand, often blurring the lines between himself and the company. His vision for WeWork was deeply intertwined with his identity, and he was seen as the driving force behind the company's culture and strategy. This cult of personality can create challenges in corporate governance, as critical oversight may be diminished in favor of deference to the leader's vision.

Similarly, Gatsby's persona is central to his social success. However, the reliance on personal charisma can mask underlying issues and inhibit critical evaluation. When leadership is overly concentrated on a single individual, the organization becomes vulnerable to that person's flaws and limitations.

Financial Underpinnings and Sustainability

A deeper examination of the financial structures reveals further parallels. Gatsby's wealth, being ill-gotten, lacked the legal and ethical foundations necessary for long-term sustainability. His financial dealings were susceptible to legal repercussions and social ostracism. Similarly, WeWork's financial model was built on aggressive expansion funded by venture capital rather than sustainable revenue streams.

The company's filings ahead of its planned initial public offering (IPO) exposed significant financial concerns. WeWork disclosed losses of \$1.9 billion on revenues of \$1.8 billion in 2018, raising red flags about its viability. The company's high valuation was predicated on projected growth and market dominance rather than current profitability—a risky proposition that depended heavily on continued investor confidence.

In both cases, the lack of a solid financial foundation ultimately contributed to the collapse of the carefully constructed illusions. When scrutiny intensified, the unsustainable nature of their wealth became apparent, leading to rapid declines in fortune.

The Pursuit of Unattainable Dreams

At the heart of Gatsby's story is his unwavering pursuit of Daisy Buchanan, a symbol of his idealized past and the social status he yearns to attain. Gatsby's dream is rooted in recapturing a moment in time and elevating himself within a social class that remains fundamentally inaccessible to him. His fixation on Daisy blinds him to the impracticalities of his ambitions and the changing realities around him.

Adam Neumann's vision for WeWork extended beyond providing flexible office spaces. He aspired to create a global community and reshape how people live and work—a concept he termed "elevating the world's consciousness." This grand vision led to diversification into areas like WeLive (co-living spaces) and WeGrow (an educational initiative), expanding the company's scope without solidifying its core business model.

Neumann's ambitions were not merely about business success but about achieving a transformative impact on society. This pursuit of an expansive, and arguably unattainable, dream parallels Gatsby's idealization of Daisy and the life he believes they can share. Both individuals are driven by personal aspirations that overshadow practical considerations and lead them to make increasingly risky decisions.

Blind Spots and Overreach

Gatsby's inability to see the futility of his pursuit results in personal tragedy. He fails to recognize that Daisy represents an idealized version of the past that cannot be reclaimed. Similarly, Neumann's grandiose ambitions led to strategic overreach. The company's rapid expansion and diversification stretched its resources thin and diverted attention from establishing a sustainable business model.

Neumann's charismatic leadership and compelling vision attracted significant investment and talent, much like Gatsby's charm drew people into his orbit. However, this charisma also created blind spots, where critical feedback and practical concerns were overlooked in favor of pursuing an idealized vision. The emphasis on growth and disruption overshadowed the need for financial discipline and operational efficiency.

The Collapse of Illusions

Gatsby's world occurs when his past and the true nature of his wealth are exposed. The carefully maintained facade crumbles under the weight of reality, leading to social isolation and ultimately, his de-

ath. The illusion he created is unsustainable in the face of societal norms and legal constraints. WeWork's collapse began during the preparations for its Initial Public Offering (IPO). The mandatory disclosures required by the Securities and Exchange Commission (SEC) revealed significant financial losses, questionable governance practices, and potential conflicts of interest involving Neumann. The company's prospectus highlighted issues such as Neumann's personal enrichment through real estate deals with WeWork, excessive control through special voting shares, and extravagant spending. Investors and analysts responded negatively to these revelations. Concerns about the company's valuation, governance, and path to profitability led to a drastic reassessment of its worth. The IPO was postponed and eventually withdrawn, Neumann was pressured to resign, and the company's valuation plummeted to as low as \$8 billion.

Consequences and Aftermath

The fallout from WeWork's failed IPO had significant repercussions. The company faced financial instability, necessitating a bailout from its largest investor, SoftBank, at a significantly reduced valuation. Massive layoffs ensued, and the company's ambitious projects were scaled back or abandoned. Similarly, Gatsby's downfall leads to the disintegration of his social circle and ultimately, his demise. His death symbolizes the ultimate consequence of living within an illusion that cannot withstand reality's scrutiny. In both narratives, the collapse of the illusion brings about a reckoning with the consequences of their actions.

Hype versus Substance

The emphasis on hype over substance is a critical theme in both stories. Gatsby's wealth and parties create an aura of success that masks the emptiness of his social connections and the illegitimacy of his wealth. The guests at his parties are drawn by the spectacle but remain strangers, highlighting the superficiality of his relationships.

WeWork's culture similarly emphasized image and perception. The company's open offices, communal spaces, and emphasis on collaboration projected a modern, progressive work environment. However, beneath the surface, operational inefficiencies and unsound financial practices threatened the company's viability.

Investor Confidence and Market Perception

Investor confidence played a crucial role in both narratives. Gatsby relied on the perception of wealth to integrate into high society and win Daisy's affection. WeWork depended on investor enthusiasm to fund its expansion and maintain high valuations.

In financial markets, perception can significantly influence valuations, especially in the startup ecosystem. WeWork's portrayal as a tech innovator attracted substantial venture capital investment, despite the lack of profitability. This reliance on investor confidence made the company vulnerable to shifts in market sentiment.

When WeWork's financial realities were exposed, investor confidence waned rapidly. The market's reassessment of the company's value reflects how quickly hype can fade away when not supported by substantive performance.

Governance and Accountability

WeWork's governance structure, which granted Neumann outsized control through special voting shares, contributed to the company's challenges. The lack of checks and balances allowed for unchecked decision-making, leading to questionable investments and practices.

In the novel, Gatsby operates outside the bounds of legal and ethical norms, with little accountability. His actions ultimately lead to negative consequences for himself and those around him. Both cases highlight the importance of governance structures that ensure accountability and mitigate the risks associated with concentrated power.

Ethical Considerations

The ethical dimensions of both narratives are significant. Gatsby's wealth accumulation through illegal means raises questions about morality and the costs of pursuing wealth at any cost. His willingness to engage in unethical activities undermines the legitimacy of his success.

WeWork faced ethical scrutiny over conflicts of interest and corporate governance issues. Neumann's personal dealings, such as leasing properties he owned back to WeWork and securing loans against his shares in the company, raised concerns about self-dealing and fiduciary responsibility.

Impact on Stakeholders

The actions of both Gatsby and WeWork had repercussions for stakeholders beyond themselves. In the novel, Gatsby's pursuit of Daisy and his lifestyle impact those around him, leading to tragedy. WeWork's collapse affected employees, investors, and clients who relied on the company's services.

Ethical lapses can erode trust and have far-reaching consequences. The importance of ethical leadership and responsible business practices is underscored by the negative outcomes experienced in both narratives.

The Relevance of Literary Analysis in Business Contexts

Analysing WeWork's rise and fall through the lens of *The Great Gatsby* offers valuable insights into the human elements that influence business outcomes. Literature provides a rich framework for exploring themes such as ambition, illusion, ethics, and the complexities of human behavior. Business decisions are often influenced by psychological factors and personal motivations. Literature delves into these aspects, providing nuanced portrayals of characters whose actions have broader implications.

Conclusion

The narratives of Jay Gatsby and Adam Neumann share striking similarities in their portrayal of ambition, illusion, and the consequences of unsustainable pursuits. Both figures constructed elaborate facades to achieve their dreams, relying heavily on appearances and charisma to further their goals.

The collapse of these facades showcases the dangers of prioritizing image over substance and the importance of aligning ambitions with reality. The analysis illustrates how literary themes remain relevant in understanding contemporary issues, providing a lens through which to examine the complexities of modern business practices.

By drawing parallels between *The Great Gatsby* and WeWork's rise and fall, we highlight the enduring nature of certain human tendencies and the value of literature in offering insights into real-world scenarios. This interdisciplinary approach enriches our understanding of both the novel and the corporate case, emphasizing the role of literature as a tool for reflection and learning in diverse fields.

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