

The Beggar CEO and Sucker Culture

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The other day, I was doing something on LinkedIn, when I noticed a post title that somehow made its way into my feed: “Why Don’t My Employees Work Harder?” I clicked through out of curiosity and found that this was a corporate Dear Abby sort of thing. A CEO identifying herself as “Victoria” submitted the following as a question to Liz Ryan, who serves as Abby.

Dear Liz,

I know that leadership is all about trust and I do trust my employees, but I wish they would show a little more effort. They come in on time and they get their work done and that’s it.

I leave my office around 6:15 p.m. most nights and I don’t think that’s an especially long workday. But the parking lot is nearly empty every night when I leave. Why am I always one of the last half-dozen people out the door?

When I started this company six years ago there was a lot more team spirit. Now I have to come up with incentives to get people to put in extra effort.

I haven’t threatened anyone or threatened to cut the bottom ten percent of the team or any of that but I did tell my managers that I want them to incorporate not only output but also effort into their performance review rankings.

I want to reward the people who work the hardest here and make it clear that anyone who wants a ‘dial-it-in’ type job is not a good fit. I don’t think a growing, \$10M company should be a place where people work from nine to five and then go home. What do you advise?

Thanks,

Victoria



I tweeted my gut reaction to this off the cuff, and it got a lot of traction for a random tweet on a holiday morning.

“Why should I have to incent my lazy employees to work overtime when they should just want to do it for free?” <https://t.co/IISkDPQytC>

I then read through Liz’s response, which was patient, well-reasoned, and it brought up something called “weenie management,” so that alone is sort of oddly awesome. It also pretty resoundingly dressed Victoria down, which, I think was warranted. And yet, in spite of expressing my disgust on twitter and seeing a somewhat satisfactory response to Victoria, I still felt sort of bleak and depressed about the whole thing. I stewed on it further and realized what my response would have been, had I been Liz.

Dear Victoria,

3 Items added

I completely empathize. Every couple of weeks a cleaning service comes to clean my house. They put in their standard hour on the dot, and that's it. No matter how much I walk around sighing when they're about to leave, or passive-aggressively musing out loud about the virtues of wanting to clean for the love of cleanliness, they still duck out at exactly the one hour mark. What do I have to do to find someone who is as passionate about cleaning my house as I am about having it be clean? Doing a good job cleaning is its own reward, even if it means an unpaid half hour or two every other week.

But on to your situation. It's clear that your employees are doing a bad job of working an extra hour for no pay, in spite of you wanting them to work an extra hour for no pay. Sometimes, you have to get creative, and I can think of nothing more creative than a little arts and crafts project. Here's what you're going to do.

Head down to the local craft store and pick out a giant piece of poster board, a sharpie, and about 4 feet of string. Take all of it home, and then raid your cupboard and your closet. From your closet, find your oldest, dirtiest outfit that you use for painting the house or something. From your cupboard, get a large, durable plastic cup.

With those packed up and ready to go to the office, it's crafts time! Punch two holes in the poster board roughly a foot apart. Thread the string through each of them. Now, take the Sharpie and write on the poster board, "Brother, can you spare an hour for a CEO down on her luck?" Bring that, the durable cup, and the rough clothes to work. Set them aside until the end of the day. And not YOUR end of the day, but the end of the day of those lazy ingrates that don't want to donate their spare time to increasing the value of your ownership share in the company.

At 5:00 on the dot, throw on your ratty clothes, put the sign around your neck, and head down to the entrance, where everyone will walk by you. As they start to file out, you're going to make your pitch. Assume that the average wage at your company is \$50,000 per year, which means that the free hour they should be donating to you is worth about \$25. Look each of them in the eye as they walk past and say, "hey, man, I totally forgot my wallet and need bus fare to get home, so can you throw me \$25?"

Do this every single day to every single one of your employees. Either they'll fork over the \$25 dollars they should be giving you for free in the first place each day, or else they'll find this so incredibly awkward that they'll go back inside and wait you out.

Win-win, my friend. You get paid or you get captives. Either way, you're setting pretty.

That was cathartic and sort of fun to write, but I'm not sure it's directed appropriately. The problem is that I think Victoria is more of a symptom than an illness. Make no mistake — the beggar parallel is entirely appropriate. She is bemoaning the fact that people don't work 9 or more hours per day when she has forked over employment paperwork that offers them salary in exchange for an implied 8.

Oh sure, it's relatively standard for salaried, exempt employees in the USA to put in the occasional spurt of overtime for "exceptional situations," but the offer letters they get, for the most part, list their annual income and then also divide it by 2,080 and tell them what their hourly rate is. 2,080 is $8 \times 5 \times 52$ and corresponds to the number of working hours in a year. So Victoria hands out offer letters that say she'll give them \$25 per hour for a maximum of 8 hours per day, and then wonders what's wrong with them for not putting in 9 or 10 with a total compensation of \$0 for the incremental hour or two.

And yes, in spite of that, I'm saying that Victoria is a symptom. But I'm going to offer some caveats to go along with this rant and return to that later.

A Note on My Motivations

At this point, I want to be absolutely clear, because I'm just envisioning what the comments would look like if this post floated near the top of Hacker News and I got a deluge of non-regular readers. So, here goes.

First of all, I'm not, in any way, allergic to long hours for myself. I've spent a career working 50 to 70 hours per week, at first for employers, later to earn a master's while working full time, subsequently to moonlight, and finally to work completely for myself. This post is not me complaining that work is hard and I want to do less.

In the second place, I'm not advocating for any sort of change to public policy, law, or even common practice. If Victoria wants to haggle with and nickle and dime her employees for a lower wage, that's an entirely rational thing for her to do (though not for the motivations she's implying). She's (in terms of wages) not doing anything differently than you are when you go to a car dealer and demand the product for less

than MSRP. You're playing a zero sum game with the car dealer, and attempting to get more for less. Victoria is, likewise, a consumer of her employees' labor, and she's trying to get more for less. That's the nature of market economics.

What I object to is neither Victoria's rational play of the game (though I am objecting to the way she plays it) nor the idea that people may opt to work long hours and get ahead for doing so. What I'm objecting to is something that I'll call "sucker culture," and it lies at the heart of what Victoria really wants.

Sucker Culture

If you want to really dive into the stuff that comes next, I invite you to check out the book that I'm writing, called *Developer Hegemony*. But for a more abridged (and free) primer, check out this post in which I define the corporate hierarchy, categorizing people into opportunists (those at the top), idealists (middle management) and pragmatists (line level employee). Victoria is, theoretically, an opportunist (though she has such a clueless tinge to her entitled whining that I'm amazed she was able to recruit a third employee after mom and pop, much less a whole company full of them). The people that she wants to work extra hours "for the love of the game" are pragmatists. The whip crackers she's going to task with evaluating those pragmatists "based on effort" are idealists.

Sucker culture is the race to the bottom that's created where advancement within the company is predicated upon offering free labor. I've discussed over-performance extensively in the past, but I'll recap briefly here. In a company like Victoria's, the culture is one in which advancement is determined, as she says, by 'effort.' And effort is determined by showing up to work long hours, sacrificing your free time to Victorias, and generally participating in an arms race to see who can offer the most free labor to the company. Victoria's managing whip-crackers hoard carnival cash and get to where they are by working a whole lot of hours for free. Their compensation in the end? Victoria pats them on the head and tosses them a few grand extra per year that doesn't come close to getting them back to even for all the free labor they give her.

If you think of labor as a commodity and of the laborers as vendors, you can see the problem with sucker culture immediately. This isn't an awful model for employee labor since employees are competing for necessarily scarce promotions, and generally doing so by prostrating themselves before the boss in an effort to impress. Victoria, the customer, wanders downtown to the shopping district, and declares that she wants a pair of pants. Whichever clothing store in the area makes her happiest can be assured of LOTS of future business, so she shops around with a feeling of haughtiness. Interested in capturing this business, the stores all race to beat one another's offerings for the price. The first store knocks \$5 off the price. The second one knocks of \$6 and throws in a free T-shirt. The third one offers her two pairs of pants. And so on.

Before long, this inverse bidding war has ensured that the 'winner' loses money in what is commonly known as a "loss leader." The trouble is, however, that when we switch back to the employment model, the "loss leader" is 5 years of 60 hour weeks for the

hope of eventually getting a 10K per year increase. The vendors are crippling themselves for Victoria, who is tapping her foot impatiently and wondering why they don't make any effort to sell even cheaper.

The Real Problem

Victoria isn't the real problem; as I said, she's a symptom. If you read her question carefully, she doesn't have any specific goal or apparently rational reason for wanting her people to stay until 6:30. For all we know, she's lonely. Her goal is simply to *be* a company where everyone works, like, super-hard. She looks at Amazon's tough culture, movies and shows about startups, and her own, over-glorified past, and thinks that she's no longer one of the cool kids where people live to work. She wants that back, and resents that she's now one of *those* places, where people don't work like it's a show about Silicon Valley.

The real problem isn't Victoria, and it isn't sucker culture itself — it's the fact that going home after 8 hours is the new original sin. In a world where corporate culture promotes 60-hour per work idealists and has them crack the whip at Pharoah's request to force the pragmatists to build pyramids, the *problem* is that we are culturally expected to feel guilty for not "going the extra mile." "Extra" is the new "required," to the point where Victoria feels justified "cutting" the "bottom 10 percent" for only wearing the required number of pieces of flair.

We wear our unpaid, uncompensated overtime as a badge of honor. We sleep less, brag about our caffeine intake, and are available for calls and emails 18 hours per day. We measure our importance by how many half hour slots during the day are double or triple booked, and we perversely consider it honorable to do this for free.

Let's flip the script.

I'm over 2000 words in, so I probably owe it to you to get to the point. And the point is simple: stop it. Stop considering it impressive to give away more of your labor for free than the guy next to you. Stop feeling guilty for asking, "what's in it for me," when your company implies that your 8 hour days should balloon to 10 hour ones. Stop thinking that donating an extra 20-40% of your working hours for a possible promotion in 5 years is anything but a terrible time investment. Stop participating in sucker culture. Stop humoring Victoria. Victoria doesn't work for free — every hour she puts in increases the worth of an asset of hers — so why should you?

If you want to work hard, by all means, work hard. If you want to log 60 hour weeks, by all means, do that. If you really, really like your company and your work enough to donate spare time to it, then fine. But do it with eyes wide open and don't do it because of the destructive peer pressure of sucker culture. However you choose to spend it, your time is valuable, and it's yours to spend. Would you walk into Victoria's office and say, "Victoria, I know that you're a big believer in me and in my cause, so, while I won't ask for it, per se, I think that it'd be entirely appropriate for you to randomly give me ten thousand dollars more per year?" No? So, why do you feel even a twinge of guilt that you should be giving her more of your labor than you agreed to?

Don't look at your feet guiltily and say that, "gee, Victoria, I'd love to stay until 6:15, but my son is receiving an achievement award and I guess I really should see that." Look at Victoria, sitting there, panhandling for your time, and say, "I'm sorry, but I work hard, and I don't give money to beggars."