

Lab Rats – Dan Lyons

Summary:

This book was written as a follow-up to his initial book, *Disrupted*, where he discovers that being employed in a modern American setting can make people anxious and depressed because of the changing ways that employers treat employment and its employees. The need to appease Venture Capitalist (VCs), Boards, and Investors has changed concepts of loyalty, profitability, success, and treatment of others.

General Themes:

The year 2000 is when he connects data related to employee happiness. He indicates this is when the first dotcom peaked and crashed; the internet becomes more widely available (Wi-Fi routers, modems), and mobile devices – like the Blackberry – enter the general market. Social media starts in the early 2000s (2002 – LinkedIn; 2004 – Facebook; 2006 – Twitter). From 2000 – 2010 the number of people using the internet from 360 million (6% of the population) to 2 billion people (1/3 of the population). The year 2000 is also when outsourcing starts taking off – when the economies of China and India start soaring – which is called “Globalization 3.0”. Comparison of compensation reveals the following: In the 1980s, CEOs made 42 times as much as its average worker; In 2000, CEOs were making 525 times as much. Mental health trends (found on page 47) revealed that trending mental issue reported coincided with increasing internet usage. (Pages 46-49 discuss this theme at length.)

Particulars:

Four factors Lyons indicates contributes to unhappiness: Money; Insecurity; Change; Dehumanization (83).

“Agile” was initially introduced as an efficiency strategy for software development. Because of its initial success, organizations started applying theories surrounding Agile to personnel strategies. Lyons points to those who initially supported the platform and later said that broadly applying it to people dehumanizes work experiences and creates environments where unhappiness likely exists (57). Some researchers point to agile techniques as a way to get rid of older employees and those with less access to training, education, and development opportunities (62). “Lean” has also been used with personnel strategies, when the initial design was for technology and manufacturing and faces the same pitfalls and repercussions as agile. (64).

UCMS: Unpredictable Chronic Mild Stress. If a subject is subjected to chronic stress, it will experience physical, emotional, and mental responses that are largely negative. Stress that is unpredictable – even small areas of unpredictability – will have negative outcomes if it becomes chronic. To assist with change, people respond better if it can be predictable, secure, and not ongoing (81-83).

Companies have multiple stakeholders: customers, employees, and society (96). Most modern companies operate by following shareholder capitalism, which is where the primary deference is given to venture capitalists (investors) and top executives. Stakeholder capitalism, however,

states that companies should be stewards to all constituents – customers, employees, and society – and not just investors/executives. Companies operating with a stakeholder capitalist structure are a minority in America. “Gig” economy increases the mindset of shareholder capitalist mentality because it allows organizations to downsize employees in favor of outsourced “gig” work, like Uber, Airbnb, TaskRabbit. From 2017 to 2020, gig-economy jobs rose from 34% to 43%. This model allows companies to increase profits by not having to extend benefits to those gig employees (99).

There is current research to see if computers/robots can replace functions like managing employees, driving cars, and human resources (157). Companies like iCEO have been created to replicate executive jobs and HireVue that collects database on recruitment candidates to create psychological blueprints on individuals that will remain with them indefinitely.

Research has shown that employees are over-accelerated, so one way companies can respond is helping create environments that allow employees to slow down (144). Understanding that technology adds to acceleration can help companies understand that this very technology is what is causing people to become disillusioned and fearful. Technology can dehumanize if not used properly.

Lyons followed a company called Basecamp that operates on the philosophy of placing less emphasis on economic margins and more focus on simplicity that leads to fuller lives. The founder, Fried, indicates that they don’t schedule meetings, use shared calendars, or use chat apps. The focus on less noise where people observe “library rules” so that voices are hushed. They make brainstorming meetings intentional and less frequent so that people get the opportunity to do the work (180).

Conscious capitalists, like Kapor Capital, take a philosophy of impact investing. Investments are made with the idea of seeing how the organization operates with its employees and the outgoing products/services that are provided (204).

The Great Place to Work produces an annual list of best employers in the United States. The “Legends” are those who have made the list for 20 years: Technology - Cisco, SAS Institute; Retail - REI, Nordstrom; Construction – TD Industries; Banking - Goldman Sachs; Hotels - Marriott, Four Seasons; Groceries - Wegmans, and Publix. While these companies come from various industries, they have two common denominators: They are incredibly successful, and they treat their employees incredibly well. This indicates that financial success does not have to be in competition with employee treatment (171).