The FUTURE of WORK

THE RISE OF THE WEWORKING CLASS

The co-working giant's real product isn't office space — it's a new kind of "corporate culture."

By GIDEON LEWIS-KRAUS

Photographs by MATTHEW PILLSBURY



"Made by We" Soho in New York opened in January. Matthew Pillsbury for The New York Time:

Imagine you trained an artificial intelligence on a comprehensive stock-photo set of every boutique-hotel lobby from Palm Springs to Stockholm to Milan, then connected it to a five-story 3-D printer fully furnished with pendant-dome lamps, waxy leaves and old-school hip-hop lyrics. The output would be a WeWork. So much serene, lavish and mechanical attention is allocated to

every detail: the neon and the daybeds and the fiddle-leaf figs, the wallpaper and the playlists and the typefaces. The newest iteration of its ever-emergent design concept may be indebted to Luis Barragán and <u>Carlo Scarpa</u>, but the degree of thought and investment that goes into its terrarium construction is something its busy occupants are expected to register only as background noise. WeWorks feel voguish but never threatening; comfortable but never shabby; rousing but never intemperate; detailed but never ostentatious.

There's also free top-shelf coffee, the sort of minor frill most office workers might take for granted in a way the self-employed never would. One premise of the company's existence is that it's good business to provide such minor luxuries to the otherwise unfrilled. The coffee — and the draft kombucha, which has come to supplement beer as WeWork distances itself from the frattier aspects of entrepreneurship — is, at any rate, only part of an environment engineered for felicitous exchange. This strategy is supported by narrow hallways, boxy plate-glass enclosures, distant bathrooms and centralized fruit-water dispensers, but the company's architects never indulged the belief that if they built it, people would come. The spaces themselves are the staging ground for yoga classes, wine tastings, make-your-own-trail-mix bars and vendor workshops about how to cut cloud costs. For what remains of life outside the workplace, there are cross-promotional discounts on 1-800-Flowers.com and Crunch gym memberships.

Most of us have serious reasons to worry about the future of work, and it's easy to object to WeWork's thin consolations on the basis of aesthetic or moral principle. Once you get accustomed to the basic product, however, it's hard not to find it ... pretty nice. Over the course of about a year, I stopped into locations in six or seven cities, and in each of them I sat in front of my computer alongside other people in front of their computers and felt at once marginally more productive and slightly less unmoored.

My "home" location — on North Fourth Street in Williamsburg, Brooklyn, next to the Whole Foods across from the Apple store — was proposed to me, by WeWork's unusually thoughtful and candid public-relations representatives, as a particularly strong example of the company's "community layer" at work. The "community manager," Natalie, is a luminous young woman with flaming scarlet hair and a rockabilly swagger. She started as the location's first front-desk associate and rose quickly to her current role as operational czar, personal concierge and on-call therapist; she has also been recruited, in her capacity as a "theatrical jazz pop" singer, to perform at companywide events. She has first-name-basis relationships with everybody. She knows when the printer by the sunglasses and accessories manufacturer is going to run out, and when Ulrik, the chief executive of the Danish software-platform company that is the location's largest tenant, is arriving on a red-eye and will require early-hours access. She was quick to put together canned-food and used-clothing drives on the occasions of disasters, and encouraged everyone to sign up for a marrow-donor registry. Community managers remember people's birthdays and their preferences in candy or whiskey and their dogs' preferences in treats.

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If Natalie was everyone's favorite quasi comptroller, it was clear that everyone's favorite quasi co-worker was a young accountant named Mabel Luna. When she was 18, Mabel moved from

the Dominican Republic to the Bronx. She put herself through school and worked for three of the Big Four accounting firms until she decided her heart was not in capital markets but in small companies. It was the idea of her own office, which she selected before the space had a floor, that gave her the confidence to start a business — a common sentiment at WeWork and one I heard particularly often from women and people of color — and on move-in day, she hung up her shingle as a private C.P.A. Though she never advertised, she quickly outgrew herself; she told me that 90 percent of her customers have come through WeWork, either via hallway run-ins or through the social-networking features of its mobile app. She had several clients in the building — including a brewer of natural alcoholic kombucha, a sole-proprietor attorney and the German sunglasses manufacturer by the printer — and saw herself as much more than an arm's-length contractor. The only real glitch was that her friend-client-colleagues were constantly stopping by to rap on her window with a quick question about cash flow or depreciation, or to ask if she could spare an hour for a kombucha-tasting panel or some volunteer hand-modeling. During tax season, she felt as though she had to leave WeWork to get any work done.

The relentless sociability inspired by WeWork was always one of the founders' aims, even as the composition of its membership has changed. When the company first opened in 2010, its spaces catered to entrepreneurs. The founders soon understood that the increasingly fluid and anxious labor market — its conditions exacerbated by the downturn but likely to exist in perpetuity — presented them with a much larger potential customer base. Uber and TaskRabbit and other labor-platform intermediaries positioned themselves to match those who needed something done with those who needed something to do, but they based their recruitment drives on a cynical reading of the economic mood. The subway I took to WeWork was plastered with tough-love ads from services like Fiverr, which made naked appeals to stoic virtues. ("Actually, it hasn't all been done before"; "In doers we trust"; "Reading about starting your own business is like reading about having sex.")

That sort of campaign felt manipulative: The platforms' emphasis on self-reliance for the economically precarious merely disguised their rent-seeking. WeWork, by contrast, just charged rent. The company was perceptive enough to realize that disaggregated workers (or at least those of a certain class) did not want to hear that they should just kill it on their own, bro. They wanted to hear that nobody ever can. What WeWork offered was not just rhetoric — a more sympathetic description of the restless, fretful life of the deinstitutionalized worker — but true shelter from a pervasive sense of alienation. Where Fiverr issued an invitation to gladiatorial combat, WeWork promised a work environment remodeled for solace and dignity.

Thus is the business model of WeWork, recently valued at \$47 billion, now only facially about commercial subletting. All its accessories serve to buttress its real product: "office culture" as a service. When people at the company try to explain that culture, they invariably resort to talk of positive energy sources and the obligation to heal the social fabric — a vocabulary traditionally associated with utopian architecture, 1980s academic communitarianism or ayahuasca experimentation. They affirm that all the ostensibly small incremental niceties add up to more than the sum of their parts, and on some level, I couldn't help agreeing. The market certainly seems to. As of this January, WeWork has 400,000 members in 425 locations in 27 countries, at least 30 percent of whom are employees of large existing businesses. This latter category has helped double that membership in only a year. Some of these enterprise customers are merely

outsourcing their facilities management the way they outsource manufacturing or payroll; others anticipate the revitalization — or even wholesale procurement — of their corporate culture. The conviction behind the rapid growth of WeWork is that the office culture of the future is likely to be the culture of the future, full stop, and that it is WeWork's special vocation to bring it to market.

The idea of "corporate culture," long before it was identified and cultivated as such, emerged as a solution to the problems of the large, distributed mass-industrial firm. Ransom Olds is credited with inventing the concept of the assembly line in 1901, and it was over the following decades that businesses began to feel an imperative to address the question of what work was supposed to "mean." This was both an internal bottom-line matter — employees who toiled in exchange for only a paycheck were difficult to retain and unlikely to prioritize efficiency or innovation — and a social one. By midcentury, large companies like the car manufacturers had come to represent the predominant institutional affiliation for legions of American men. Even if these firms had no explicit philanthropic interest in civic cohesion, they certainly had a stake in the preservation of the social order. If they could invest piecemeal labor with something like dignity, they could neutralize the political and economic threats posed by union solidarity.

What they arrived at was a generic set of strategies, applicable at any industrial organization, designed to help workers recognize the value of their personal contributions to the final product. The classic formulation of this approach was Peter Drucker's "Concept of the Corporation"; though it's now seen — if not much read — as a foundational text in the study of management, it reads like a sober contribution to midcentury sociology. The simplest form of recognition is advancement. Workers, Drucker believed, ought to be viewed not as exploitable resources but as human capital to be fostered, and thus provided with the training necessary to secure a path upward. Programs like project rotations — which exposed otherwise specialized employees to the breadth of company operations — should be put in place even if they seemed, in the short term, economically irrational; in the long term, they represented an investment in worker potential. Employees unlikely to advance might more gladly accept their place in the corporate scheme when given a holistic perspective on production: The maker of a car's door hinge, for example, might be shown where his discrete, repetitive effort fits into the fully realized car.



A WeWork in Paris. Matthew Pillsbury for The New York Times

The anthropologist Clifford Geertz defined culture as a collective act of interpretation, the stories we tell one another about ourselves in an attempt to make ongoing sense of why we do what we do. A car manufacturer could just point to a sensible Oldsmobile, something the world self-evidently needed. Because cars were public goods, corporate culture could easily borrow its energy from civic culture.

It could also borrow civic culture's prevailing norms — and, in turn, reinforce them. The management classic "Built to Last" describes how Walt Disney, for example, did not manage a corporation so much as lord over an extended brood of subordinates, each of them expected not only to abide by the letter of company decorum but also to embody its founder's spirit. Hourly theme-park workers were held to an imperious standard of personal upkeep: for men, no facial hair; for women, no dangly earrings or excessive makeup. As one biographer described it, "When someone did, on occasion, slip in Walt's presence and use a four-letter word in mixed company, the result was always immediate dismissal, no matter what type of professional inconvenience the firing caused." The people making the country's cars could be forgiven a coarse exclamation; the people making the country's cartoons were held to a loftier code.

As the economy shifted from industrial manufacturing to the service and knowledge sectors, it became increasingly necessary for businesses to articulate their "core purpose" as an organizational and motivational principle — and a way to differentiate "their" ethereal knowledge work from whatever it was other companies' employees did. The separation of corporate culture in particular from general civic culture was also encouraged by the ascendancy of free-market economics; Milton Friedman told executives that their sole remit was to tend to their own shareholder garden. Shared goals, while important, ought to be strictly values-agnostic.

An intrinsic and well-elaborated corporate mission was seen as a crucial competitive advantage. "Built to Last" examined, as a comparative case study, cultural differences in the tobacco sector. As the authors put it, "we saw in Philip Morris an esprit de corps and sense of common purpose that we simply did not see over the last 30 years at R.J. Reynolds. Philip Morris executives have appeared far more passionate about their cigarettes than the executives at R.J. Reynolds. Philip Morris executives express much more defiance in their prosmoking ideology, whereas the R.J.R. folks after about 1960 did not seem to care much about the products except as a way to make money. ... The Philip Morris executives, in contrast, framed the fight over cigarettes in almost self-righteous moral overtones: We have a right to smoke; it's a matter of freedom of choice. Don't take away our cigarettes. Don't tread on me!" One former employee told them that "the company forced upon her and her co-workers boxes of cigarettes to take home with their paychecks."

Implicit in all this was the acknowledgment that corporate work was not a clear-cut transaction but a complicated relationship. The difference between a contractor and an employee was that the employee accepted the benefits of security and attention along with the costs of unspecified professional obligations — the sum of which could be called culture. This paternalistic ethos in mainstream corporate America has long seemed aesthetically dour, economically inefficient and morally retrograde. "Corporate culture" today, when it means anything at all, no longer encodes a set of values as a miscellany of obligations but instead represents an elevated way to package a miscellany of amenities. Given the structure of our current economy, most companies understand that it's in the best interests of the shareholders to call it even: They've withdrawn the Disney-like benefits as well as the Disney-like expectations and set their employees "free."

WeWork has stepped into this breach, purporting to offer the best of both worlds. On the one hand, it speaks the language of autonomy: You can choose to sit at a table or a booth or a couch, you can come and go as you please, and if you rent an actual office, you can decorate it like a tiki bar or a nuclear submarine if you fancy it. On the other, however, it speaks the language of belonging, awarding freelancers like me the chance to go to office holiday parties, to feel as if our lives have been enlivened by the scuttlebutt around the ambiently professional boathouse. With a stable corporate culture, especially in a unionized shop, these two wants aren't contradictory: Solidarity among colleagues can give strength and definition to any individual employee's sense of independence. But in the floating economy that WeWork equips, there's something uneasy about the company's à la carte promises.

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The primary evidence for WeWork's faith in its own corporate calling — to be the universal purveyor of energy and community — is internal. The two big collective imprinting events on the company calendar each year are Summer Camp, a tent revival, and a wintertime Summit, a three-day carnival for thousands of employees. In January last year, the event took place in a cavernous theater underneath Madison Square Garden. The ratio of M.S.G. employees to WeWork attendees seemed to be approximately one to one, and the two groups faced off with a kind of looking-glass symmetry: on the one side, union sweatshirts and jackets for the electricians and security guards, and on the other, young people in "Women of WeWork" or "We of Color" or "East Region" or "Created in China" team T-shirts and sturdy outerwear over the standard-issue gray-heather CREATOR undershirts. The assembled WeWorkforce — which is, for a tech company, exceptionally diverse, gender-balanced and bizarrely attractive — had a relaxed cool that clashed with the atmosphere of corporate sentimentality. In the background, an inspirational video invited attendees to imagine "something that's greater than any one of us." Everyone present was "part of a new generation — the 'We' generation."

On the first full day of internal talks, Miguel McKelvey, a founder of the company and its chief culture officer, took the stage in a purple-heather "We of Color" T-shirt. A keystone of company lore is that he grew up in a matriarchal collective in Oregon. (The other founder, Adam Neumann, grew up in part on a kibbutz; today, according to recent reports, he collects millions of dollars from WeWork as one of its landlords.) McKelvey explained that thus far the company had been associated with "entrepreneurs, start-ups, freelancers, and that's who we typically think of as the innovative people in our world." This was a characteristic WeWork sleight of hand, insofar as he was referring both to the employees present and to the current well of members; the company has a classic "I'm not just the president — I'm also a member" mentality. Over the last few years, he went on, "larger companies thought: WeWork seems cool. We should put our teams into WeWork locations."

This was all prelude to McKelvey's announcement that the company was radically expanding its courtship of enterprise customers — offering a suite of "space as a service" options under the new rubric Powered by We. WeWork had contrived its turnkey member culture to make freelancers and entrepreneurs feel as though they worked at Google; now WeWork would turn around and help employees at legacy businesses feel as though they worked at WeWork. Some companies, like Liberty Mutual (Boston) and Nasdaq (New York), have simply taken a floor or two in a WeWork location. Others, like IBM (New York), have moved into entire buildings. WeWork's most enthusiastic customers — UBS (Weehawken, N.J.) and Sprint (Kansas City) are two of the biggest examples — have engaged the company's bespoke services from planning through build-out to management.

Veresh Sita, an executive in charge of this novel product line, appeared onstage and asked us to close our eyes and "imagine a workplace — imagine a workplace where you can create a life; imagine a workplace that's so much more than an office, desks and infrastructure; imagine a workplace built on your needs — physically and digitally." When we opened our eyes, he reminded us that most people did not have that privilege. "Eighty-five percent of employees at enterprise businesses do not feel engaged today."

The screen behind him flashed a beige sea of barren cubicles. "Fifty-one percent of employees at enterprise companies are currently looking for a job." What these companies needed was a better "workplace experience." Sita showed before-and-after slides of one firm's transformation. The first showed a collection of yellowing chairs scattered desolately around white laminate cafeteria tables; the second showed what we were to understand as the same space reborn as an open loft, with gales of natural light reflecting off the herringbone parquet and the emerald shoots of their ubiquitous succulents. "I don't know what you even call the first one," he said. "Death row?"

From an investor's perspective, WeWork's pivot to culture has been a business necessity. The company takes out large commercial leases — initially entire floors, later buildings — and subdivides the floor plans into "storefront" units with the size and flexibility designed to suit start-ups. As plenty of discriminating observers have pointed out, this business model is vulnerable to some huge macroeconomic risks: On the "supply" side of commercial leases, the company has little control over costs, while on the "demand" side, its (highly elastic) product risks feeling like an easily duplicated commodity. And so, from the perspective of both investors and customers, it's paramount that WeWork not be seen as purely a real estate arbitrageur. The focus on "culture" affords it a kind of magical penumbra of workplace retrofuturism.



A rent-by-the-hour WeWork location at 902 Broadway in New York. Matthew Pillsbury for The New York Times

If the company's "CultureOS" excuses it from the harsh realities of commercial real estate, it also affords it an opportunity to differentiate its product from the "surveillance capitalism" of the pure technology companies. It has collected an enormous amount of workplace data and has developed experimental desks that will feature personalized height and temperature settings, all of which could easily be exploited by productivity-hawk employers, but much of its CultureOS is oriented to "work-life balance." This could be flexibly interpreted. The Summit events included a panel with two community managers at enterprise locations. One was told by a client company never to plan events on Fridays, because people just didn't come in that day. But the community manager and her team went ahead and scheduled the sort of social calendar they were used to, and, she said, "last Friday at 6:30 p.m., there were people playing Jenga and drinking beer." People who would usually leave at 3 or 4 were staying later than they ever had. Remote employees were now coming in every day; one was suddenly around so much that he was asked if he'd relocated from the suburbs to the city, but the answer was no. "Even if I have to commute every day for five hours," he apparently continued, "I want to be here."

The community manager was confident that something as casual as weekly happy hours had been revolutionary to their new clients. "Executives who would otherwise be hiding out in private offices are now being peer-pressured to come out and hang with their direct reports. We are destroying hierarchy."

When I met McKelvey a few weeks later at WeWork's Manhattan headquarters, he made it clear that the long-term plan was not just to make IBM a bit more like Google but something much more grandiose. The company's CultureOS was about being "supportive to openness and conversation" and the "obligation we create to each other to be good humans to each other — to share a smile and some warmth." We've learned the hard way from social media, he said, that "alignment along ideological lines is a shallow way of creating a human environment." This, McKelvey said, is what he tells his team: "You're not building work space. You're here building a new infrastructure to rebuild social fabric and rebuild up the potential for human connection." It was, he conceded, a "big leap." But the company existed to give it a shot. "Who am I going to need in a disaster? The person I took a yoga class with versus the person I'm in the same Facebook group with?" The enterprise product could scale up that social infrastructure to unite millions and millions of people. On a hard-hat tour of WeWork's new West Coast headquarters, in San Francisco's Salesforce Tower, Adam Neumann told me: "Assuming we keep up our personal growth as a company, as individuals and as a company, there is no limit. Businesses, neighborhoods, cities — there are new cities being built around the world, and we want the call from those cities."

WeWork is not so naïve as to think that narrow hallways, happy hours, Taco Tuesdays and yoga are going to revive the workplace as a locus of societal coherence. But it thinks that thousands of Natalies remembering the birthdays of thousands of Mabel Lunas might, and it's to its sincere credit that — unlike most other technology companies, but like most religions — it recognizes that meaning at scale is a high-touch business, and it seems prepared to invest in labor costs that, even if they're drawn from the low-wage hospitality sector, will grow linearly with expansion. When I spoke to representatives of Powered by We customers, they were highly appreciative of a partnership that gave their employees at the very least better access to informal common spaces.

And WeWork is right to perceive that it provides its members with a heightened sense of social organization. To join WeWork is to feel gently buoyed along in a strange kind of substrate, neither fully adrift nor fully anchored, loosely bound to others by novel waveforms. These ties alternately resemble deals between independent contractors, collaborations between colleagues, flirtations between strangers and intimacy between friends — and insofar as they muddy the boundaries between these things, they ultimately feel like none of them. There is a nearimaginable WeWorld in which all human endeavor outsources itself to associations of WeNodes that in an eternal churn arise as spontaneously as they disperse. If a very clever combination of architecture, technology and hospitality serves as an analgesic for the disaggregated, it can just as easily function as a solvent for the institutions that remain.

This might not be such a bad thing, especially for certain types of "creatives" and "innovators," but it's hard to see where community will take root and culture will flower. WeWork's executives might believe that people are lonely and atomized because our social infrastructure has been degraded, but the problem is not that we lack opportunities to brush up against one another. They confuse the possibility of interaction with the incentive and desire to interact; they confuse their own set decoration for the provision of a common script. You cannot put a bunch of random actors on a stage and expect them to fumble their way toward a play. When a spirit of community does unfold ex nihilo in one of their spaces, the simplest explanation is selection bias: When they open locations based on proximity to a Whole Foods or an Apple store, they are masking the sorting mechanism they've used to build their brand.

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As for me, I never went to any of those free yoga classes; I suppose I can't really speak for Williamsburg's other members, but perhaps that's the point. I was an extracurricular truant in part because I liked my own yoga classes just fine and in part because the WeWork events I did attend were so networky. Also, I always had too much work. It's tempting to underline the paradox that, in my case, a WeWork yoga class could very plausibly have counted as work, but then again the very same could be said for any of North Fourth Street's accountants or kombucha marketers — not to make allies in anticipation of disaster but to trawl for more clients and contractors.

And I didn't really care to go to the holiday party either. The anarchic thrill of a masquerade is electrifying only insofar as it feels genuinely remissive: A harvest ritual only makes sense as a reprieve from the collective sacrifices of the season. One thing that executives at Philip Morris and Disney understood was that cultures succeed in the attempt to organize and structure human behavior only when they address both what you are *permitted* to do and what you are *obligated* to do. "Do what you love" is only half a culture; what's missing is the idea that there might be some deep reward, beyond the gratification of self-discipline, for doing what you have to do even when you don't love it — in other words, for doing work. An authority that can't compel is not an authority that can protect or inspire.

WeWork's own precedent puts its employees in an excellent position to understand this dynamic. A recent executive mandate declared the company a "meat-free" organization. When I interviewed McKelvey not long after the Summit, he had a very fuzzy time trying to explain the meaning of the "eight pillars" of its CultureOS and the relationships among them. But when he noticed that the P.R. representative happened to be carrying a single-use plastic water bottle, he admonished her to be mindful of her own consumption. For all the company's vaulting ambition to build the workplace of the future, this was much closer to Walt Disney than Milton Friedman.

Over the past year, as WeWork has been folded into what is now called the We Company — which encompasses WeGrow, its school, and WeLive, its communal housing projects — its Powered by We product has been refined and formalized. Recently, I met with Lakshmi Rengarajan, its director of workplace connection and a recent recruit from Match.com, and Craig Robinson, a veteran of commercial real estate who now served as global head of Powered by We Services, along with two P.R. representatives; the company's data show that people prefer small conference rooms to medium-size ones, and the five of us were pressed into intimacy by the vitrine they'd reserved.

Rengarajan and Robinson were careful to italicize the idea that they're not trying to foist their own strong, participatory, idiosyncratic culture on anybody else's shop. Their services, while inspired by and grounded in the company's internal environment, begin with WeWork's tailored attempts to understand the client's own organizational structure and needs. They did, of course, have a repertoire of connective practices that seemed to them universally valuable. Rengarajan told me that "the first step toward someone being seen as a full human" was to begin with something as simple as a round of stories about where people's first names came from; she explained that a former boss, unable for some reason to pronounce the name Lakshmi, had simply called her Sue. Robinson, who had personally experienced Rengarajan's exercise twice, said that the activity made it easy to remember Rengarajan because her name meant she was born on a Monday. "Or maybe it wasn't Monday?"

"Friday," she said, and laughed.

But they were not so presumptuous as to expect that Sprint or UBS would have a cafeteria that served no meat. I wondered how far they would extend themselves to help a firm help its employees to do what they loved. Would they be willing to work with, say, Philip Morris? Everyone tried to sustain simultaneous eye contact with me while they all paused to give it some thought.

"That," each repeated in turn with total, collective sincerity, "is a great question." They were going to have to talk about it.