

Preliminary Insights on Company X Culture from Glassdoor Data

Prepared by Spencer Harrison, INSEAD

Summary

- Company X's culture is compared favorably to the "Most Innovative Companies," and "Most Inclusive Companies." However, the benchmarking suggests that Company X's culture is less employee-focused (clan) than "Best Companies to Work For," and "Most Inclusive Companies."
- When people describe what they don't like at Company X, they describe a culture that is more rigid and inflexible.
- Employees with less tenure at Company X describe a less innovation-focused, more hierarchical organization.
- There are large cultural differences by location, specifically Denmark shows large peaks toward innovation while Plainsboro shows peaks toward employee focus.

Strategic Questions:

- Is this the culture that will help Company X as it moves toward the future?
- Do top leaders understand the benefits and costs of these cultural dynamics?
- Do employees feel like the culture enables them to do their best work?

In the paragraphs that follow I discuss:

1. Method of Analysis
2. Benchmarking Company X Against "Top 10" Companies
3. Investigating Shadow Culture at Company X
4. Tenure and Culture
5. Full-time Employees and Culture
6. Location and Culture

1. Method of Analysis

I gathered data from the top 10 companies of 6 different "best companies" including: Fortune's Best 100 Companies to Work For, Forbes' 100 Most Innovative Companies, Thompson & Reuter's 100 Most Diverse and Inclusive Companies, among others. For each company I gathered the 60 most recent comments from Glassdoor.com. I also gathered 729 reviews about Company X from Glassdoor that included data on pro's (what raters like about the company), con's (what raters dislike about the company), employee tenure, employee type (full-time vs. intern), and work location.

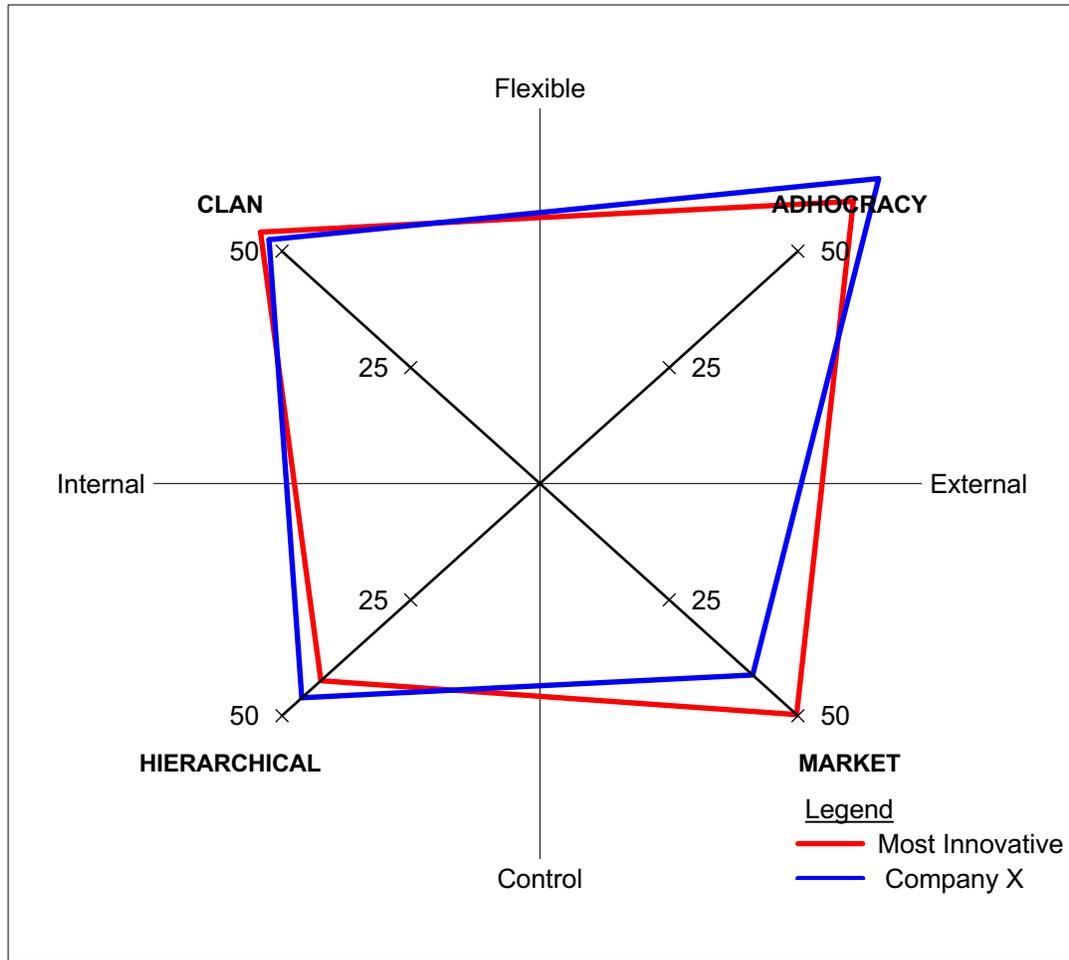
I used text analysis with pre-validated dictionaries that capture the 4 different dimensions of culture described in the Competing Values Framework (see Appendix: The Competing Values Framework, for more information) to analyze these comments from Glassdoor.com. Each description produces a percentage of words that match the dictionaries. For example, “creative” would be part of the “adhocracy” dictionary whereas “efficient” would be part of the “hierarchical” dictionary. These percentages were standardized across the entire corpus of texts so that I can compare Company X to other companies and to conduct sub-analyses about shadow cultures, tenure, employee type, and location.

2. Benchmarking Company X Against “Top 10” Companies

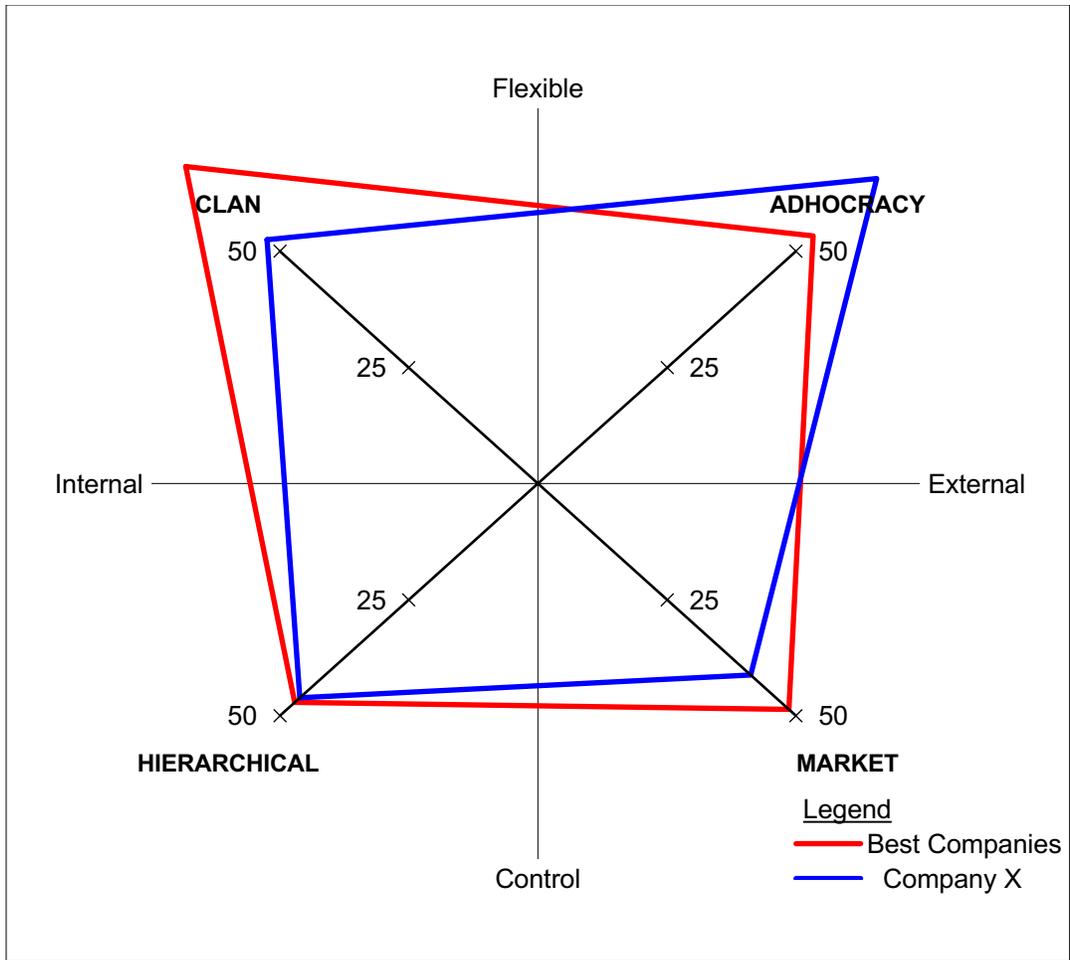
Because Company X is an elite organization battling for elite talent and competing in a market place against other elite organizations, I compared Company X to the top 10 companies on the following 3 lists:

- Forbes’ 100 Most Innovative Companies,
- Fortune’s Best 100 Companies to Work For, and
- Thompson & Reuter’s 100 Most Diverse and Inclusive Companies.

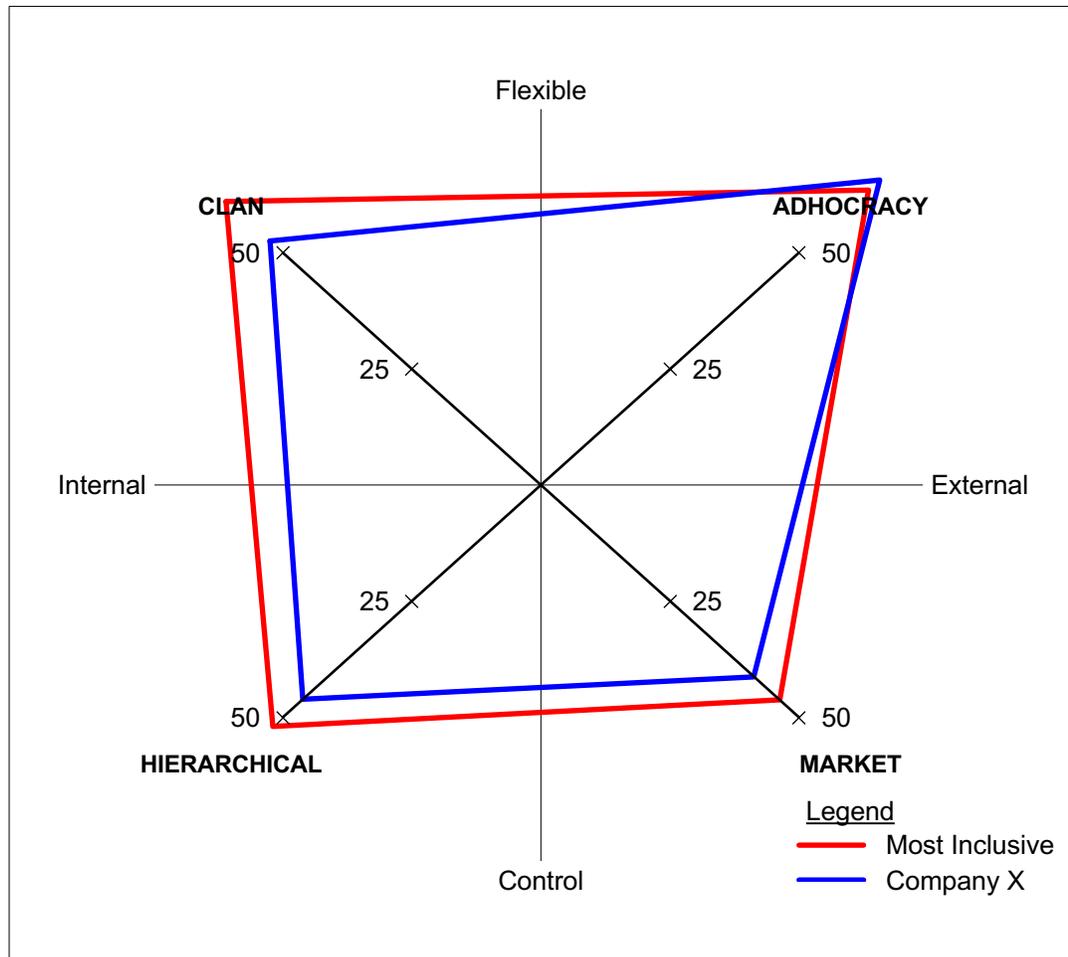
Forbes’ 100 Most Innovative Companies. Compared to the top 10 companies on this list, commenters describe Company X’s culture as being slightly more innovation-oriented than the other companies in the top 10. This is impressive since this list is targeting organizations that should have a culture that skews toward innovation. Company X’s culture also skews more toward a hierarchical culture than the other top 10 companies. Commenters also describe Company X’s culture as being less customer-oriented (market) and slightly less employee-oriented (clan).



Fortune's Best 100 Companies to Work For. Compared to the top 10 companies on this list, Company X's culture is unique for its innovation-orientation. However, when compared to the top 10 in this list, Company X is below average in the descriptions of a people-orientation (clan) and an customer-orientation (market). Because the "best companies" list is focused places people would want to work, it's not surprising that these cultures skew toward a clan orientation.



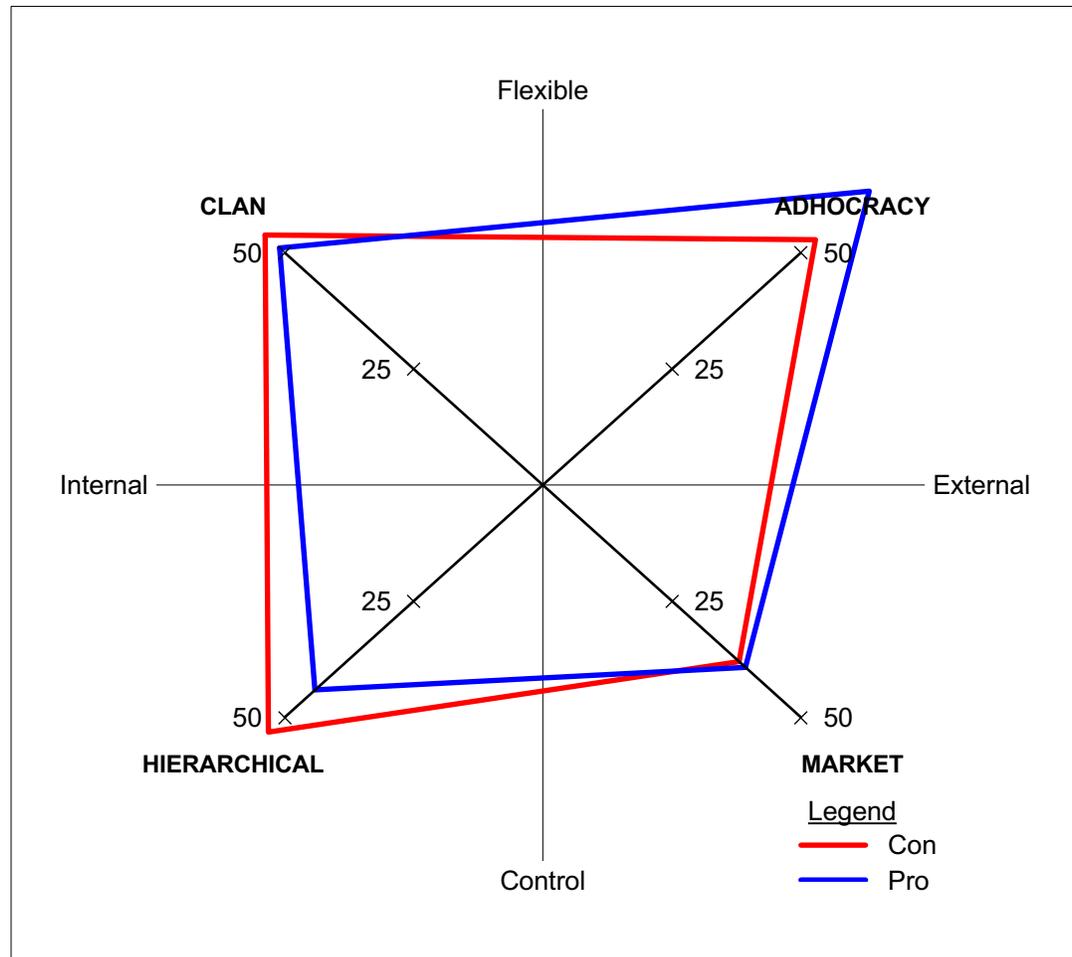
Thompson & Reuter's 100 Most Diverse and Inclusive Companies. Compared to the top 10 companies on this list, Company X's culture is described as being far less employee oriented (clan). However, the contrast in cultures here shows that inclusive companies are, on average, just as high as Company X's innovation-orientation (adhocracy), but they also have a stronger efficiency-orientation (hierarchical) than Company X. The strong skew toward hierarchy could indicate that, to be a truly inclusive company, these organizations rely on implementing a set of systems that ensure diversity while at the same time, increasing the sense of hierarchy.



3. Investigating Shadow Culture at Company X

I compared the culture when plotted using “pro” statements – the comments from Glassdoor.com describing the positive aspects of an organization – and “con” statements – the comments describing negative aspects of an organization. The “con” statements describe a “shadow” culture which includes i) pockets of the organization where the culture is operating very differently and ii) cultural deficits or aspects of the culture participants would like to see grow.

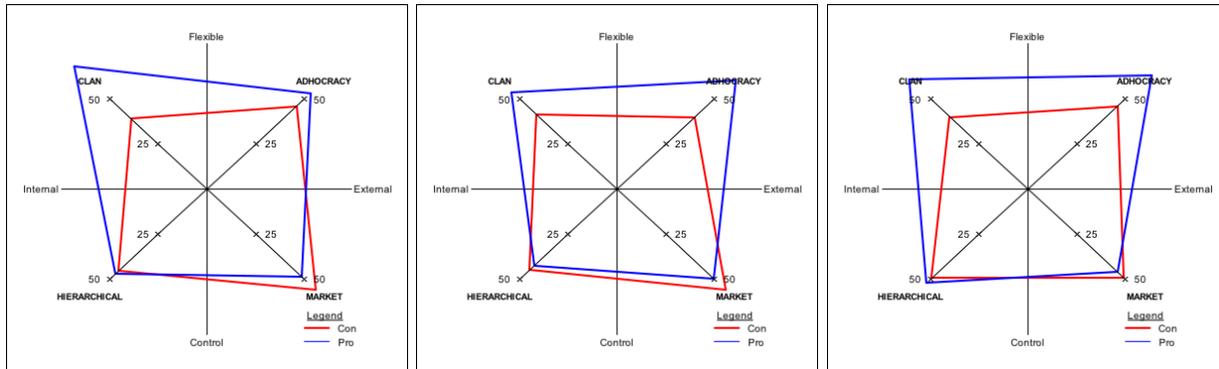
For example, one participant wrote, “conservative. focus only in diabetic field.” Another added, “Very regulated with lots of standard operative procedures. The salary is limited reflecting attractiveness in other parts of the employment.” Both of these comments illustrate that when people experience cultural shadows, they see Company X as less of an adhocracy and more of a hierarchical culture. The shape of the culture below illustrates how differently the culture is described when individuals focus on the shadows: strong depressions in innovation-orientation and a pronounced lean toward focusing on the stability (hierarchical).



To better understand these results I completed a similar analysis, averaging the top 10 companies from the three lists used above:

- Forbes’ 100 Most Innovative Companies,
- Fortune’s Best 100 Companies to Work For, and
- Thompson & Reuter’s 100 Most Diverse and Inclusive Companies.

The question was what is the average shadow culture for these types of companies? From left to right the figures show the Best Companies, Most Innovative Companies, and Most Inclusive Companies.

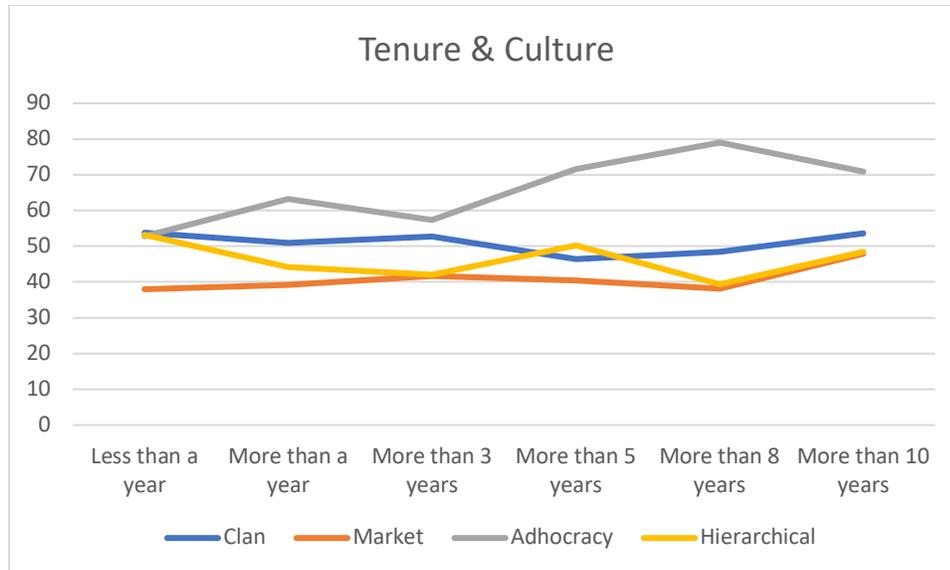


Two trends jump out.

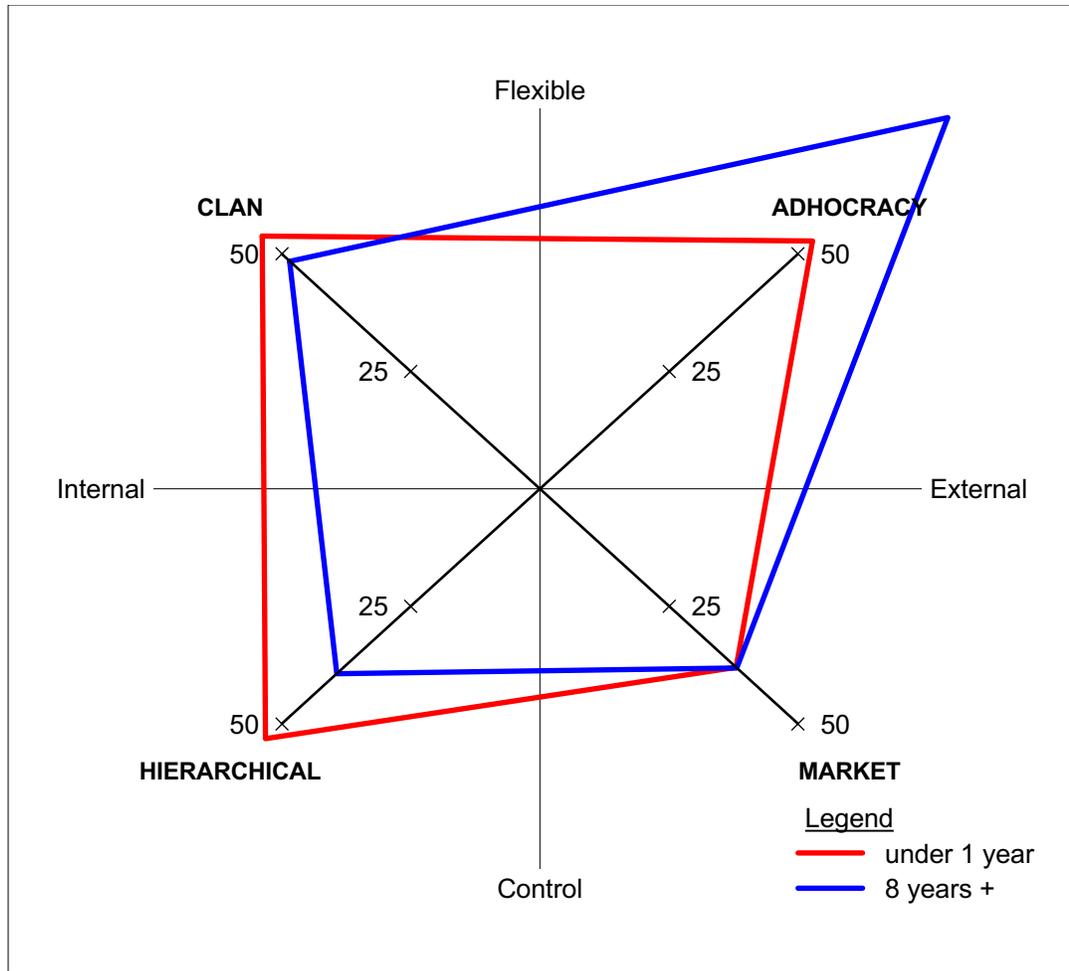
- First, shadow cultures, across all three types show a decrease in descriptions of people-orientation (clan) and innovation-orientation (adhocracy). When people are describing what does not work in these organizations, these elements of culture are less prevalent.
- Second, like other “Most Innovative Companies” (the middle diagram), Company X also experiences a depression in their innovation focus (adhocracy). But Company X also suffers a more pronounced skew toward a hierarchical culture.

4. Tenure and Culture

Employees who have been at Company X for a longer time (greater than 1 year) describe the culture as being less people-oriented and more innovation-oriented than their peers who have been at the organization for a shorter period of time. At first blush, this is surprising. Newer employees often have a honeymoon effect that inflates their evaluations of a company. Some scant evidence suggests this effect might wane at the 6 month mark. But these studies also suggest that once the initial high evaluations are depressed they remain depressed. The results seen below might be an issue of self-selection with employees that had an initial negative reaction. However, employees in both groups were equally likely to “recommend the organization” to others as a place to work. Both groups were also equally likely to “approve of the CEO.”

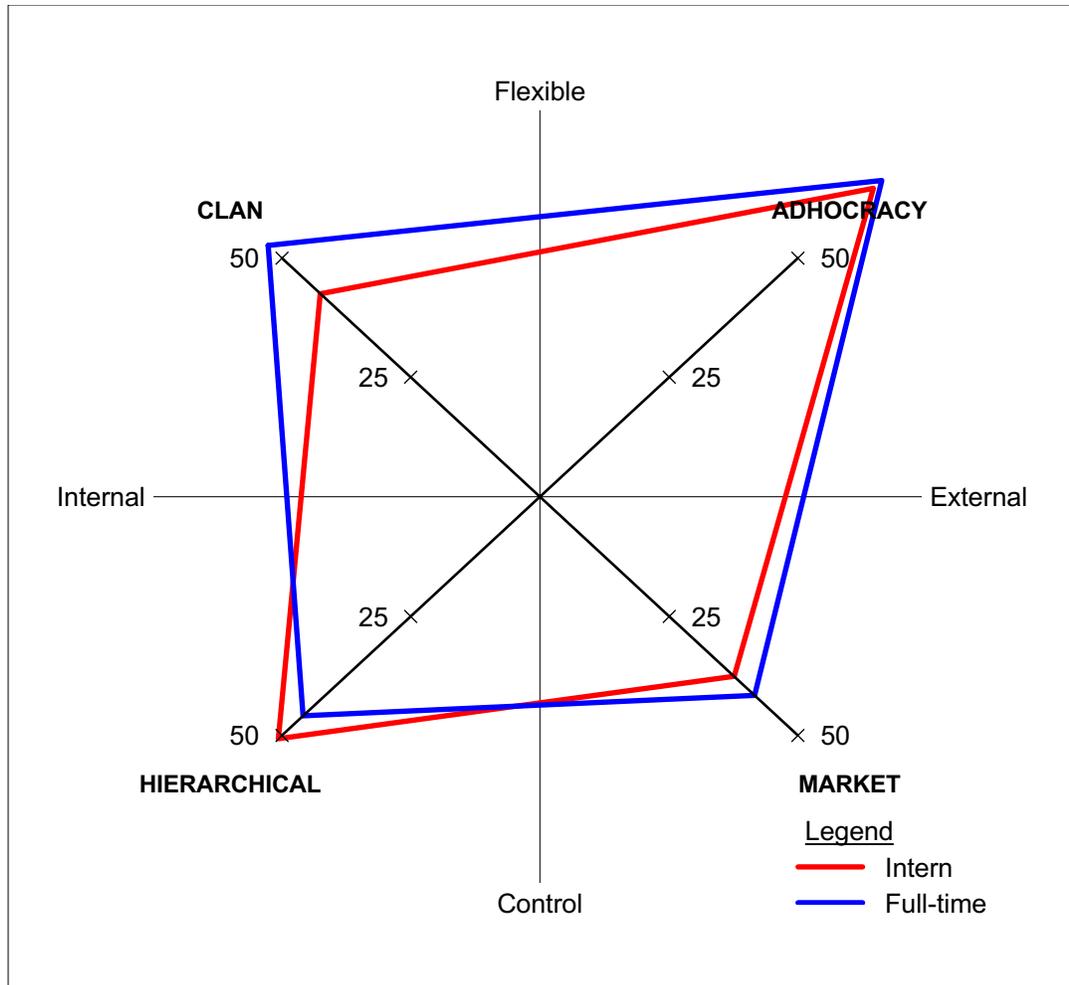


These results suggest that longer tenured employees might reap more of the benefits from Company X's innovation culture and / or simply have a more nuanced, descriptive appreciation of the culture and can therefore describe a more expansive cultural space. It is also interesting that the differences between newcomers' cultural descriptions and longtimers' cultural descriptions creates a similar shape to the shape shown when describing cultural shadows above, where adhocracy is less pronounced and hierarchy is more pronounced for newcomers. This might suggest that the first year presents a significant cultural hurdle for newcomers.



5. Full-time Employees and Culture

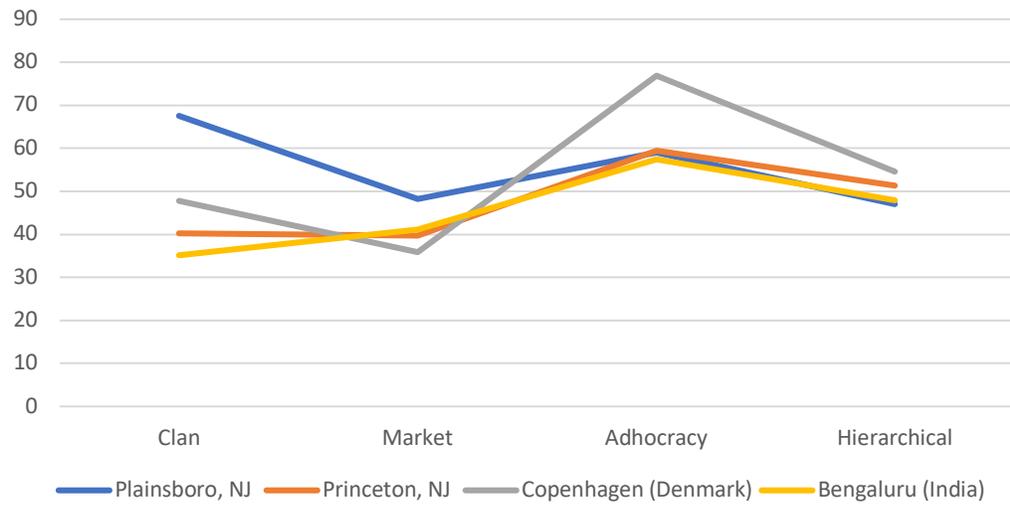
I was curious to see if different types of employees described the culture in different ways. I compared full-time employees to interns because that was the largest sub population available. The results show that interns describe the culture as being less employee-oriented (clan). It could be that, because interns are more temporary they feel less stable and therefore feel less cared for by the culture. Notably however, they do describe the culture as being very innovation-centric, so Company X has been able to successfully scale that part of their culture to more peripheral employees.



6. Location and Culture

Finally, given Company X's global reach, I was curious to analyze differences in the culture by location. I chose 4 locations that provided the greatest number of responses. All the locations show the same pattern of responses but the biggest differences are the big jump toward adhocracy in Copenhagen, compared to the the 3 other locations, and the big jump toward clan in Plainsboro, compared to the 3 other locations. This might be specific to the jobs and professions in these locations. It would be interesting to investigate how these differences impact coordination across businesses.

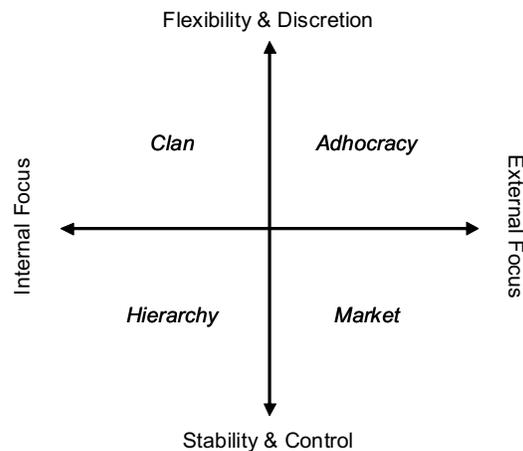
Location & Culture



Appendix: The Competing Values Framework

Generally, organizational culture is recognized as “the taken-for-granted values, underlying assumptions, expectations, collective memories, and definitions present in an organization. It represents “how things are around here”” (Cameron & Quinn, 1999). Every organizational culture is a unique set of values and beliefs that guide behavior within the organization. That being said, there are ways to categorize cultures in a general sense to show how certain patterns of belief or action are preferred over others. We chose the Competing Values Framework as our categorizing approach in this survey.

The Competing Values Framework is based on empirical evidence from more than a thousand organizations showing that, in general, thirty-nine different indicators exist to explain organizational effectiveness over time. Analyzing these thirty-nine indicators for commonalities reveals two major dimensions to organizational effectiveness: Flexibility vs. Stability and Internal vs. External Focus. Combining these two dimensions results in a 2x2 matrix with four quadrants, each representative of an archetypical organizational culture: *Clan*, *Adhocracy*, *Hierarchy*, and *Market*. Although culture types diagonal from each other in the matrix are considered as opposite ends of a continuum (i.e., Hierarchy and Adhocracy are in opposition, while Clan and Market are in opposition - see figure below), they are not necessarily mutually exclusive.



We provide a brief explanation of each archetypical culture below¹:

Clan: a culture characterized as a friendly place to work where people share a lot of themselves; it is like an extended family; leaders are thought of mentors and, perhaps, even as parent figures; the organization is held together by loyalty and tradition; commitment is

¹ All descriptions are from Cameron & Quinn, 1999

high; emphasis is on long-term individual development, with high cohesion and morale being important; success is defined in terms of internal climate and concern for people; a premium is placed on teamwork, participation, and consensus.

Adhocracy: a culture characterized as a dynamic, entrepreneurial, and creative place to work; people stick their necks and take risks; effective leadership is visionary, innovative, and risk-oriented; the glue that holds the organization together is commitment to experimentation and innovation; the emphasis is on being at the leading edge of new knowledge, products, or services; readiness for change and meeting new challenges are important; success mean producing unique and original products and services.

Hierarchy: a culture characterized as a formalized and structured place to work; procedures govern what people do; effective leaders are good coordinators and organizers; maintaining a smooth-running organization is important; long-term concerns of the organization are stability, predictability, and efficiency; formal rules and policies hold the organization together.

Market: a culture characterized as a results-oriented workplace; leaders are hard-driving producers and competitors who tend to be tough and demanding; the glue that holds the organization together is an emphasis on winning; the long-term concern is on competitive actions and achieving stretch goals; success is defined in terms of market share and penetration.

We want to stress that these descriptions are of “pure types” of culture and no organization matches any one archetype perfectly. In fact, most organizations have some blend of each culture, although dominant values are often evident.