

Corporate Culture

Class #2

**UC Berkeley School of
Law**

Professor Grennan

Test Your Knowledge of Class #1

True or False

1. Leaders of corporations have a responsibility to their investors to follow the single objective of maximizing firm value.
2. Corporate executives believe corporate culture is the top long-term value driver of the firm.
3. Sustained work-from-home may require leaders to change their aspirational values with respect to culture (e.g., emphasizing fairness or collaboration) so as to avoid creating two tiers of employees)
4. Schein proposed 3 levels of culture: what we see, what we say, and what we believe. Roughly only 10% of culture is what we see and the rest is what we say and believe.

Class #1: Textbook Culture Definition

Culture is the pattern of behavior that is reinforced by systems and people. It is manifest in the norms or expectations that people have for how they need to behave to fit in and succeed in the organization.

Linking Class #1 and #2

- Last class we emphasized the importance of perspective. How different people have different assumptions and biases, so they need a focal point to direct their activity and attention toward.
- Today, we will do a deep dive on the aspirational cultural values that executives select.
- We will then explore the complexities that arise from selecting aspirational cultural values: do employees follow them? Are certain values better? Can copying someone else's values work? Do values need to match those of society?

Outline of Class #2

- The importance of defining cultural values
 - Comparison of Uber and Amazon's cultural values
 - Do the values selected matter? If so, why and how?
 - How does corporate culture spread? Is it possible to copy a culture?
- Why outsiders may undervalue culture
 - Espoused vs. lived corporate culture
 - How technology can help outsiders to better measure culture

Networking

Please take a minute to think and respond in the chat



Networking with your classmates is half the fun of being a student! Please share something about you.

- Many of you have offers or are actively interviewing right now, for those still navigating the process, what are some memorable interview questions?

Culture Questions for Law Firms

Cooley

SULLIVAN & CROMWELL LLP

Davis Polk

Wilson Sonsini Goodrich & Rosati

Skadden

- Specific questions about whether people feel like they have mentors or mentees
- How they approach teaching?
- How they staff deals?
- What the individual enjoys most about their jobs (if it doesn't turn to the people, maybe that's concerning...)
- Whether and how they feel supported by peers, seniors, juniors, etc...
- What has the firm done in the pandemic as support?

Corporate Culture #2: Cultural Values

The background of the slide features a series of parallel diagonal stripes in various shades of blue and a bright yellow stripe, creating a dynamic, geometric pattern that slopes upwards from left to right.

Class #2: “Teaching Common Focus”

Quote from CEO interviews:

“Our culture is a challenge for the fact that we are very diverse. Our SF group is young, likes to work as a team in a common space with very flexible hours. They tend to be more entitled than some of my older employees out east. The two groups don’t necessarily work together very well. On top of that, we have over 1,000 creative people. Creative people really don’t like structure. They like to be free-flowing with ideas, and they like to operate somewhat autonomously. Yet all of our divisions, even though they look different, they are working towards that common focus. We have done very well as a company because we are so involved with our associates teaching them to work towards that common goal.”

Cultural Values

- Executives use cultural values to transform people with heterogeneous characteristics into homogenous action
- Cultural values are an articulation of what the company values and what leaders hope employees will aspire to be.
- Why is it so important for the cultural value to be an aspiration?
 - An aspiration is often the foundation or catalyst for everything else that follows in the development of culture
 - Setting the tone, the leader's teaching of the culture, the patterns that are and are not reinforced.

Reflection

Take a moment to think and raise hand to share.

You've been at a big law firm and you have a handful of clients who like you and will follow you and give you new work. Great! Now you can start your own law firm and hire others to help grow the practice. You want to do it right and build a place with a strong culture. What values from your past firm's culture will you bring? What new ones will you create?



Back-of-the-napkin CEOs



In many ways, what you just did is very similar to the experience many executives described – whether they built the company themselves, inherited the role or were brought in from the outside – the first iteration on their vision for the culture involved introspection. Who am I? What do I value? What did I like/dislike from previous experiences?

Refining and Developing

While it might seem that corporate executives are all powerful, perhaps even imperial, most executives would then reach out and listen to people at all levels of the organization to hear their perspective.

Others would reflect on if their personal values aligned with the marketplace or business strategy and make some adjustments if needed.

Others may look for inspiration from competitors or speak to their board about their vision.

Key take-away: Culture is something that requires an investment of time and money and will need to be iterated and updated over time.

What Do Leaders Select

Responses from “Corporate Culture: Evidence from the Field” where we surveyed 1,348 North American executives about culture.

Describe the current corporate culture at your firm

- 93% of respondents described cultural values

Cultural values from Q1 “Briefly, what words or phrases best describe the current corporate culture at your firm?”

-1 = Described value is opposite, 0 = No mention of value, 1 = Indicated this value

Panel A. Cultural values	Obs.	Percent of respondents			Mean	Std. dev.	Median
		-1	0	1			
Adaptability	1348	8%	62%	30%	0.21	0.58	0
Collaboration	1348	7%	61%	32%	0.25	0.57	0
Community	1348	10%	51%	39%	0.29	0.63	0
Customer-oriented	1348	1%	80%	19%	0.19	0.41	0
Detail-oriented	1348	4%	80%	16%	0.13	0.43	0
Integrity	1348	2%	75%	24%	0.22	0.45	0
Results-oriented	1348	7%	45%	48%	0.41	0.62	0
Agg. cultural values	1348				0.24	0.30	0.29

Values from Corporate Websites

1. **Integrity** + Ethics + Accountability + Trust + Honesty + Responsibility + Fairness + Do the right thing + Transparency + Ownership
2. **Teamwork** + Collaboration/Cooperation
3. **Innovation** + Creativity + Excellence + Improvement + Passion + Pride + Leadership + Growth + Performance + Efficiency + Results
4. **Respect** + Diversity + Inclusion + Development + Talent + Employees + Dignity + Empowerment
5. **Quality** + Customer + Meet needs + Commitment + Make a difference + Dedication + Value + Exceed expectations
6. **Safety** + Health + Work/Life balance + Flexibility
7. **Community** + Environment + Caring + Citizenship
8. **Communication** + Openness
9. **Hard work** + Reward + Fun + Energy

What Does Science Say?



The idea: Biologist studied employees and found that four biological drives guide employees' actions:

- Acquiring, bonding, learning, and defending.
- Firms = playgrounds
- Kids/employees want to acquire stuff, friends, knowledge, and then protect it once they have it (mine!).

What would a firm designed to engage all four drives have?

1. Well-defined roles, each with four-drive potential.
2. Prevailing “norms” to balance the drives.

Why Balance?

As the biologists describe, no single drive can outweigh another drive. There must be balance.

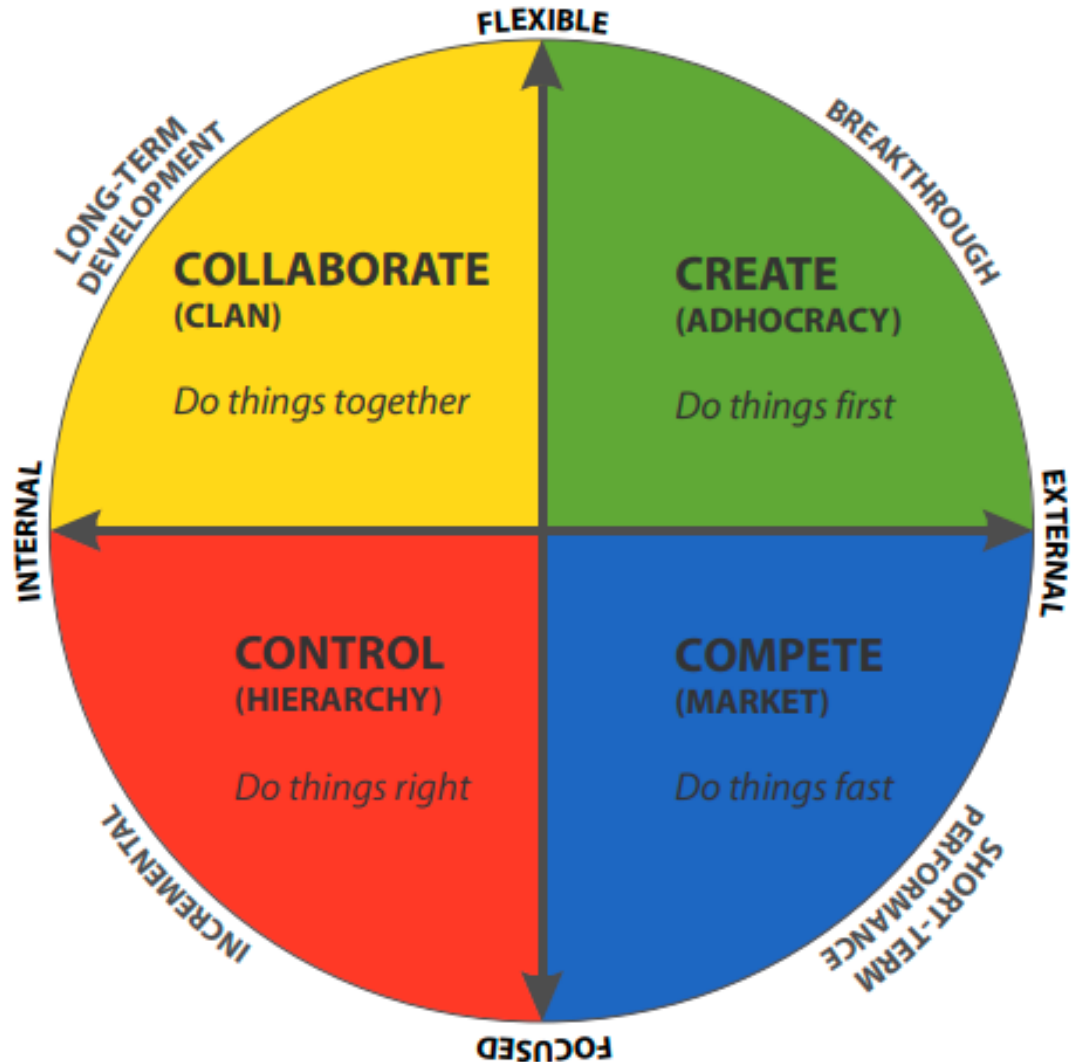
- “Bonding” will lead the people involved into friendly support of one another.
- But without other counterbalancing drives at work, this would fail to achieve the objective of the firm as everyone would attend to everyone else's comfort instead of job performance.
- Or another problematic feature of too much “bonding” may be excessive “group think”
- Similarly, acquiring drive will lead to competition and boost performance initially but too much will crowd out the ability to coordinate well

Competing Values Framework (CVF)

Cameron and Quinn's paradigm

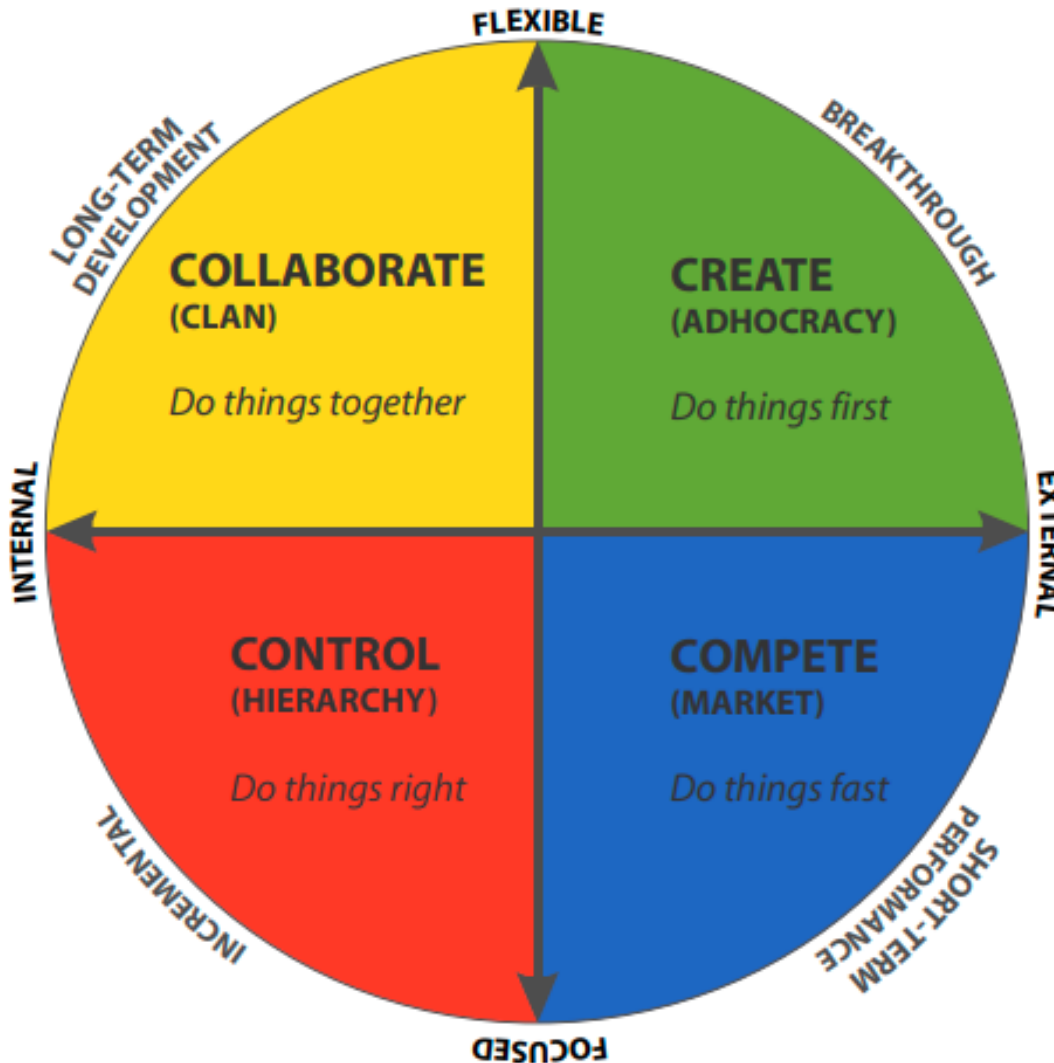
Dimensions represent spectrums, quadrant biological drives.

Flexible vs. focused spectrum: People who learn inductively vs. deductively, communicate animatedly vs. methodically, process info by searching for new applications vs. methodically.



Competing Values Framework (CVF)

Cameron and Quinn's paradigm



How quickly must we act to create value?

Short-term value creation comes from competition whereas long-term value creation come from collaboration.

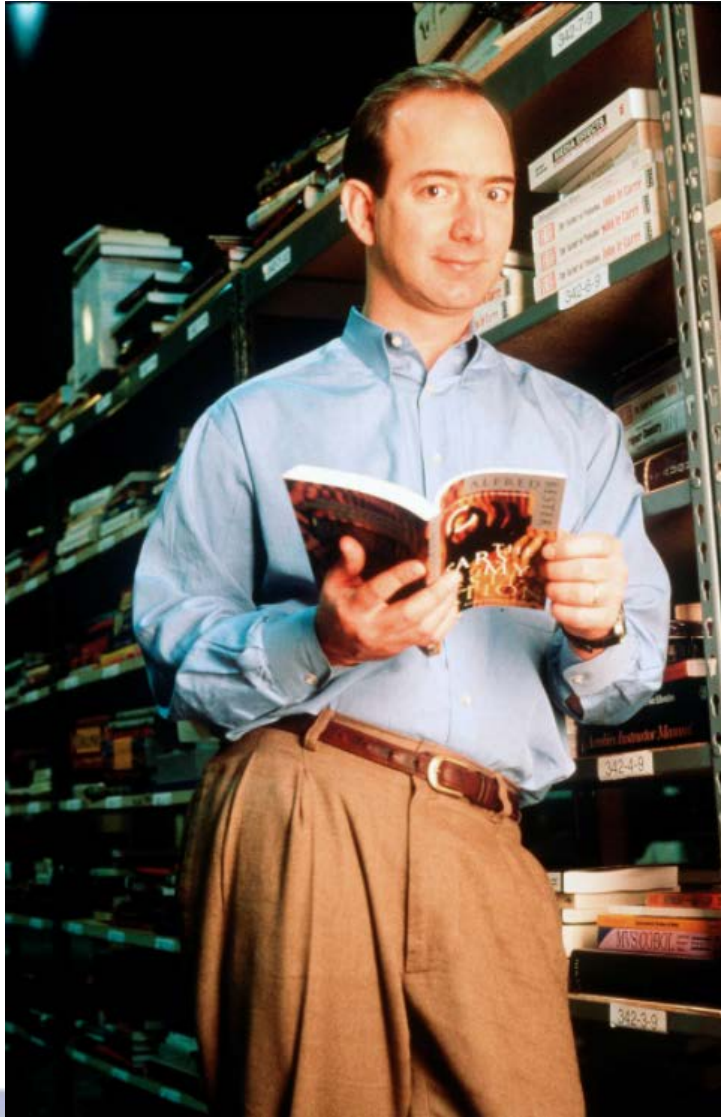
What kind of innovation can the firm achieve? Only incremental in a controlled environment whereas breakthrough in an ad-hoc environment.

Other Culture “Recipes”

- Many consultants offer paradigms like CVF or a similar version with prescribed cultural values that can work as a “recipe.” For example, this is McKinsey’s paradigm.
 - Leadership factory = strong leader and trusting teams
 - Market shaper = complete focus on customer
 - Execution edge = continuous improvement
 - Knowledge core = acquire best talent and succeed through highly skilled individuals
- Most paradigms suggest avoiding the “culture gap” that is selecting a culture that doesn’t align with the business model or strategy.

Corporate Culture #2: Amazon

The background of the slide features a large, solid blue shape on the left side. On the right side, there is a series of parallel, slanted lines in various shades of blue and a prominent yellow line, creating a dynamic, layered effect that suggests movement or depth.



As the company grew, Bezos wanted to codify his ideas about the workplace, some of them proudly counterintuitive, into instructions simple enough for a new worker to understand, general enough to apply to the nearly limitless number of businesses he wanted to enter and stringent enough to stave off the mediocrity he feared.

Article on Amazon's Culture

Inside Amazon: Wrestling Big Ideas in a Bruising Workplace

By Jodi Kantor and David Streitfeld

Aug. 15, 2015

SEATTLE — On Monday mornings, fresh recruits line up for an orientation intended to catapult them into Amazon's singular way of working.

They are told to forget the “poor habits” they learned at previous jobs, one employee recalled. When they “hit the wall” from the unrelenting pace, there is only one solution: “Climb the wall,” others reported. To be the best Amazonians they can be, they should be guided by the leadership principles, 14 rules inscribed on handy laminated cards. When quizzed days later, those with perfect scores earn a virtual award proclaiming, “I’m Peculiar” — the company’s proud phrase for overturning workplace conventions.

What stands out to you about Amazon and the description of the culture in the article?

Amazon's Espoused Principles

1. Customer Obsession
2. Ownership
3. Invent and Simplify
4. Are Right, A Lot
5. Learn and Be Curious
6. Hire and Develop the Best
7. Insist on the Highest Standards
8. Think Big
9. Bias for Action
10. Frugality
11. Earn Trust
12. Dive Deep
13. Have Backbone; Disagree and Commit
14. Deliver Results

***What do you notice about the values?
What values surprise you? Does it
match a paradigm we've discussed?***

Have Backbone; Disagree and Commit



Amazon instructs workers to **rip into ideas**, leaving many in tears after presentations. **After losing a battle, a worker is told to suck it up and commit.**

Amazon had weekly meetings with Jeff and his directs in a big conference room. When leaving, a good colleague would say **“no blood”** meaning everyone was in a reasonable mood or **“blood everywhere”** which would warn the next team that everyone was cranky and the presentation is likely to go terribly.

Reflection: How are harmony and conflict related to firm value and leaders’ goals? For example, consider polite praise for flawed ideas, employee focus/stress after conflict, longer-term hiring, turnover, and productivity?

Is It Competition or Coaching?

Bezos would not refer to the back and forth critiques and constant evaluation as competition but as “coaching.” The critiques were not supposed to stress a worker out or cause disengagement but to elevate the best possible idea.

Framing is a cognitive bias people exhibit whereby they decide on options based on whether the options are presented with positive or negative connotations, e.g., as a loss or a gain.

Framing and cultural values: As a leader or employee, why might it be important for cultural values to be “framed” in a way that they can be perceived as a gain?

An Aside on Leadership Capabilities

Thinking Capabilities

1. **Information capability:** The breadth of current and future information gathered and exchanged with regards to issues.
2. **Conceptual capability:** Linking different kinds of information and ideas to form diagnostic and system-level concepts about a desired future.
3. **Strategic capability:** Designing alternative routes to support learning about change and how to reach desired futures.

Learning Capabilities

4. **Developmental capability:** Providing stretching job opportunities and facilitating the generation of developmental feedback and competence development
5. **Interpersonal learning:** Sharing ideas in a non-evaluative setting to gain an understanding of the “other’s” ideas from their viewpoint.
6. **Cross-Boundary learning:** Facilitating dialogue about shared ideas to form higher-level, explanatory team ideas about change.

An Aside on Leadership Capabilities

Inspirational Capabilities

- 7. Purpose Building:** Building commitment to shared purposes which are owned and used by members to initiate new thinking and ideas.
- 8. Confidence Building:** Building a unit/organization in which members value the reactions of others to their ideas, feel confident that they will succeed and celebrate the successes they achieve.

Action Capabilities

- 9. Proactive Capability:** Reduces organizational constraints and controls on members so they can take broader responsibility and use discretion in putting ideas about direction/change into action.
- 10. Achievement Capability:** Setting progressive measures of challenging objectives so that members can use performance feedback to learn and continuously improve performance.

Amazon's Espoused Principles

Several of the principles echo leadership capabilities. Only missing inspirational capability, but “Think Big” could be about inspiration.

1. Customer Obsession
2. Ownership
3. Invent and Simplify
4. Are Right, A Lot
5. Learn and Be Curious
6. Hire and Develop the Best
7. Insist on the Highest Standards
8. Think Big
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Reinforcing the Culture with Systems

“My main job today: I work hard at helping to maintain the culture.” - Jeff Bezos, 2017 profile

- What systems or tools might Amazon be using to reinforce the culture?
- Does 14 values seem like too many values?
- How can performance be judged? Can performance be evaluated on 14 values? Should performance be linked to values?

Amazon's "Unregretted Attrition"

- Amazon systematically attempts to channel 6% of its office employees out of the company each year, using processes embedded in proprietary software to help meet a target for firing low-ranked employees.
- The proprietary software is described as a more sophisticated version of **stack ranking**, a controversial system in which employees are graded by comparison with each other rather than against a job description or performance goals.
- Much of Amazon's human resources processes are reliant on apps and algorithms that are described as "black boxes."

Amazon Has Extremely High Turnover

Amazon's turnover rate

Amazon has hired hundreds of thousands of people in the U.S. this year, growing into one of America's largest private employers. At the same time, hundreds of thousands of people have left the company. An analysis of the company's attrition rate during the coronavirus pandemic shows turnover among Amazon's front-line workers is more than double that of the retail and warehousing industries broadly during a similar period.

Number of people who worked in front-line roles for Amazon and Whole Foods Market in the U.S. at some point between March 1 and Sept. 19	1,372,000	DIFFERENCE FROM TOTAL OF FRONT-LINE WORKERS DURING MARCH 1- SEPT. 19	EMPLOYEE TURNOVER RATE
U.S. full- and part-time Amazon and Whole Foods employees in June*	650,000	722,000	111%
Estimated size of Amazon's U.S. workforce after hiring additional 133,000 people, as reported by the Wall Street Journal in September*	700,000	672,000	96%
Total turnover rate, by industry, nationwide, March-August, seasonally adjusted			
		Retail trade	38.1%
		Transportation, warehousing and utilities	33.0%

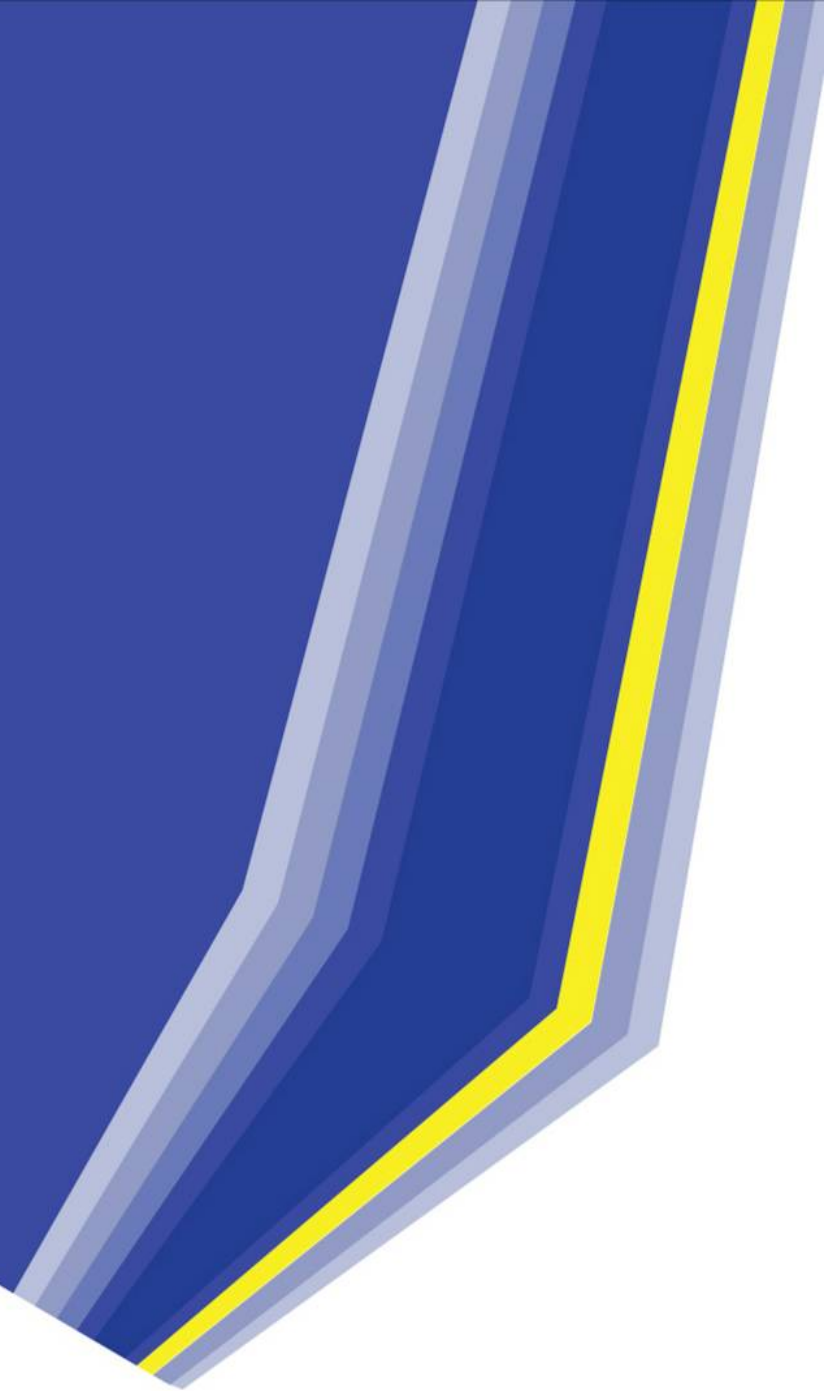
**Totals include all of Amazon and Whole Foods Market's U.S. employees, not just those working in front-line roles. Amazon declined to specify the number of people in front-line roles currently.*

Sources: Amazon, Bureau of Labor Statistics Job Openings and Labor Turnover Survey, Wall Street Journal

Reporting by BENJAMIN ROMANO, Graphics by MARK NOWLIN / THE SEATTLE TIMES

Amazon's turnover is consistently high. Employment law researchers studying unionization efforts at Amazon estimated the full-year turnover rate between 89% and 107%.

Corporate Culture #2: Uber



From Amazon to Uber



Leaders Teach Culture

Workplace challenge: Allowing random citizens to drive other people around for money in their own cars opens up a slew of problems, most notably that no one had any idea whether or not it was legal.

Patterns of behavior reinforced by leadership:

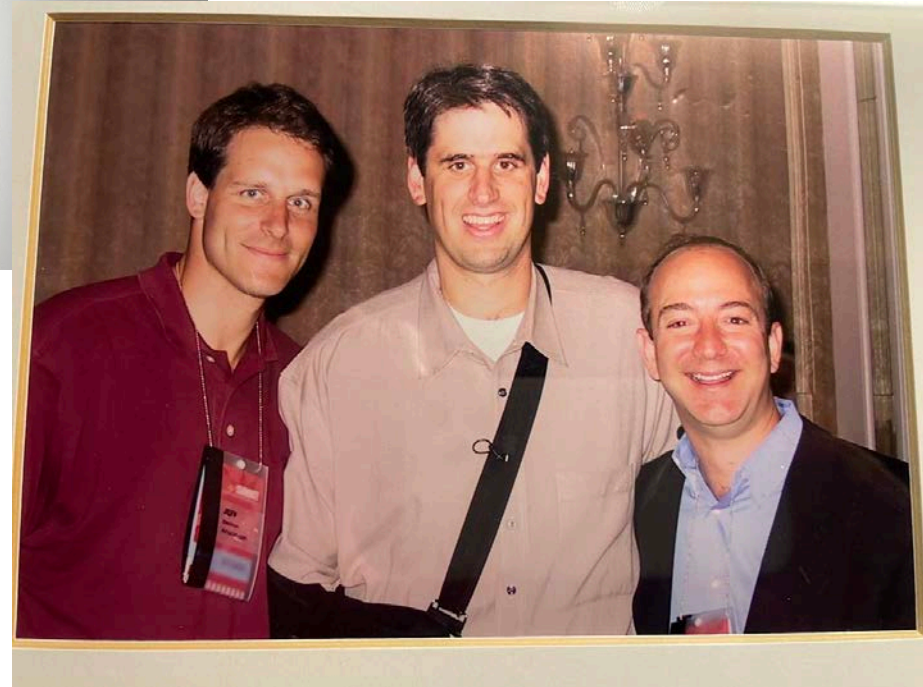
- Travis Kalanick, the CEO, didn't care about legality and didn't think much of the nice-guy approach.
- Kalanick believed that politicians protect the established order – taxis and transit unions – so he wouldn't follow the rules.
- Kalanick would just do it, launch Uber, and then with a groundswell of support from people who loved Uber, he would triumph.
- In launching Uber, Kalanick wouldn't just flout the laws, he would hire ex-CIA, NSA, FBI, etc... and develop a professional espionage network to know the governments next move and to alert drivers to never pick-up a cop.

Setting the Tone

More Opportunities for Leaders to Teach Culture

- Kalanick set the tone for Uber: aggressive, critical, laws don't matter, and an urgent need for expansion.
- To reinforce the patterns of behavior that produced the rapid expansion and as a boost to morale:
 - Uber celebrated with firm-wide all-expense paid trips.
 - X^x or "X to the X" was one notable celebration in Las Vegas
- Setting the tone, an email explained the rules:
 1. No throwing kegs off buildings,
 2. No inter-office sex without a coworker explicitly saying "YES", and
 3. Any employee caught puking on hotel grounds would be fined \$200.

The Retreat's Two Big Highlights



Uber's Cultural Values

***What do you notice about the values?
What values stand-out or surprise you?***

1. Always Be Hustlin'
2. Be An Owner, Not Renter
3. Big Bold Bets
4. Celebrate Cities
5. Customer Obsession
6. Inside Out
7. Let Builders Build
8. Make Magic
9. Meritocracy & Toe-Stepping
10. Optimistic Leadership
11. Principled Confrontation
12. Super Pumped
13. Champions Mindset / Winning
14. Be Yourself

Feedback on Uber's Cultural Values

“The list read like Amazon’s corporate values run through a bro-speak translation engine. People in Kalanick’s world were not happy or sad, they were “super pumped.” – Mike Isaac

Can you copy or mimic another firm’s culture?

Seeing these examples, do you think paradigms or recipes for culture can work?

What is missing from the paradigms?

Feedback on Uber's Cultural Values

- The list read like Amazon's corporate values run through a bro-speak translation engine. People in Kalanick's world were not happy or sad, they were "super pumped."
- Company brainstorming meetings were "jam sessions" and a willingness to move fast into new cities meant you "always be hustlin."
- Early employees were to be evaluated on a list of eight core competencies from qualities like "fierceness" to "scale" and "innovation." Scoring low could mean termination, while scoring high meant big bonuses. But it was an employee's level of "super pumpedness" that made all of the difference.

Gurley's Advice To Uber



- Uber's strength was its incredible product focus. That ability to strive for greatness drove its expansion.
- Kalanick as a leader: if you expect employees to do something, they will do it.
- But that strength -- drive in excess -- was also Uber's greatest weakness.
- With employees always sprinting, their stress will need to be released. So employees should engage in self-care, wellness, yoga, etc...

Uber's Downfall

How the Drive to Exceed Failed

- Without communicating with HQ, managers started introducing massive promotions based on hunches rather than sound investment principles.
- The company promoted itself as 'Industry Leader' and 'Safest Rides' to gain customers, but never used it to improve safety.
- Drivers were getting killed and robbed routinely in other countries as they often operated as both a taxi and Uber.
- Many concerns related to harassment, equity, and human resource practices such as hiring private investigators to dig up dirt on any woman that mentioned harassment.

Like Uber, Amazon Has Troubles

The Amazon that customers don't see: Inside a key warehouse during the pandemic

- While working mandatory overtime during the pandemic, a warehouse supervisor caught COVID, became hospitalized, and suffered brain damage.
- His wife had tried to alert the company of her husband's conditions. But much of Amazon's HR practices are fully automated.
- Her emails and calls to Amazon's automated systems often dead-ended, reverted to phone trees, or auto-replies and auto-messages to her husband's phone asking if he was coming back.
- In contrast to its precise, sophisticated processing of packages, Amazon's model for managing people — heavily reliant on metrics, apps and chatbots — was often described as uneven and strained even before the coronavirus arrived.

Is This Part of a Broader Issue in Society?

Silicon Valley's Keystone Problem: 'A Monoculture of Thought'

Broadly, Ms. Powell suggests that many of Silicon Valley's problems can be laid at the feet of an engineering-and-data-obsessed monoculture that invites little input from people outside the bubble.

"I don't think that everyone has an equal voice," Ms. Powell said in an interview. "Even putting aside broader issues around gender diversity, ethnic diversity or class diversity, there's also an issue around people's educational backgrounds. If you have a hierarchy where engineers are at the very top and the people who are interfacing with the outside world are a couple rungs below that, you really miss something when those people don't have an equal voice at the table."

Where Does the Law Fit In, If At All?

These standards for judging hostility are sufficiently demanding to insure that Title VII does not become a "general civility code." Properly applied, they will filter out complaints attacking "the ordinary tribulations of the workplace, such as the sporadic use of abusive language, gender-related jokes, and occasional teasing." We have made it clear that conduct must be extreme to amount to a change in the terms and conditions of employment, and the courts of appeals have heeded this view.

- Faragher v. City of Boca Raton opinion by Justice David H. Souter.
- Title VII of the Civil Rights Act of 1964 is not a “civility code.” It outlaws discrimination in the workplace, it does not outlaw bad behavior. It does not require us to each to treat coworkers respectfully. It does not compel us to be inclusive, tolerant, or kind.

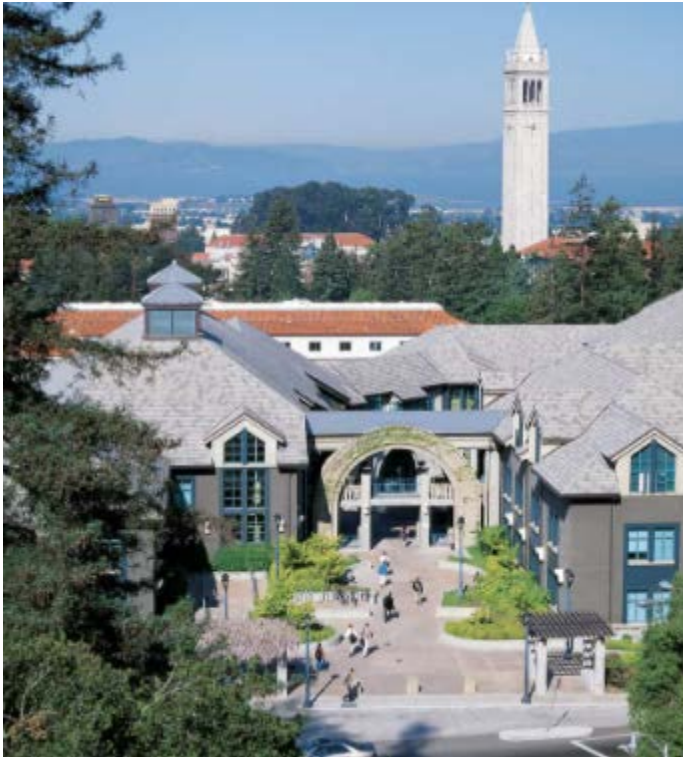
Reflection

Please take a moment to think and share.

- Does Uber represent a failure in governance, a failure in leadership, a failure in culture, a moment in time when the pendulum swung too far to the “cult of the founder” or something else totally different?
- Amazon is at the vanguard of where technology wants to take the modern office: more nimble and more productive, but harsher and less forgiving. Is this sustainable? How should corporate culture be reimagined in light of these societal trends? Is this something investors should worry about?

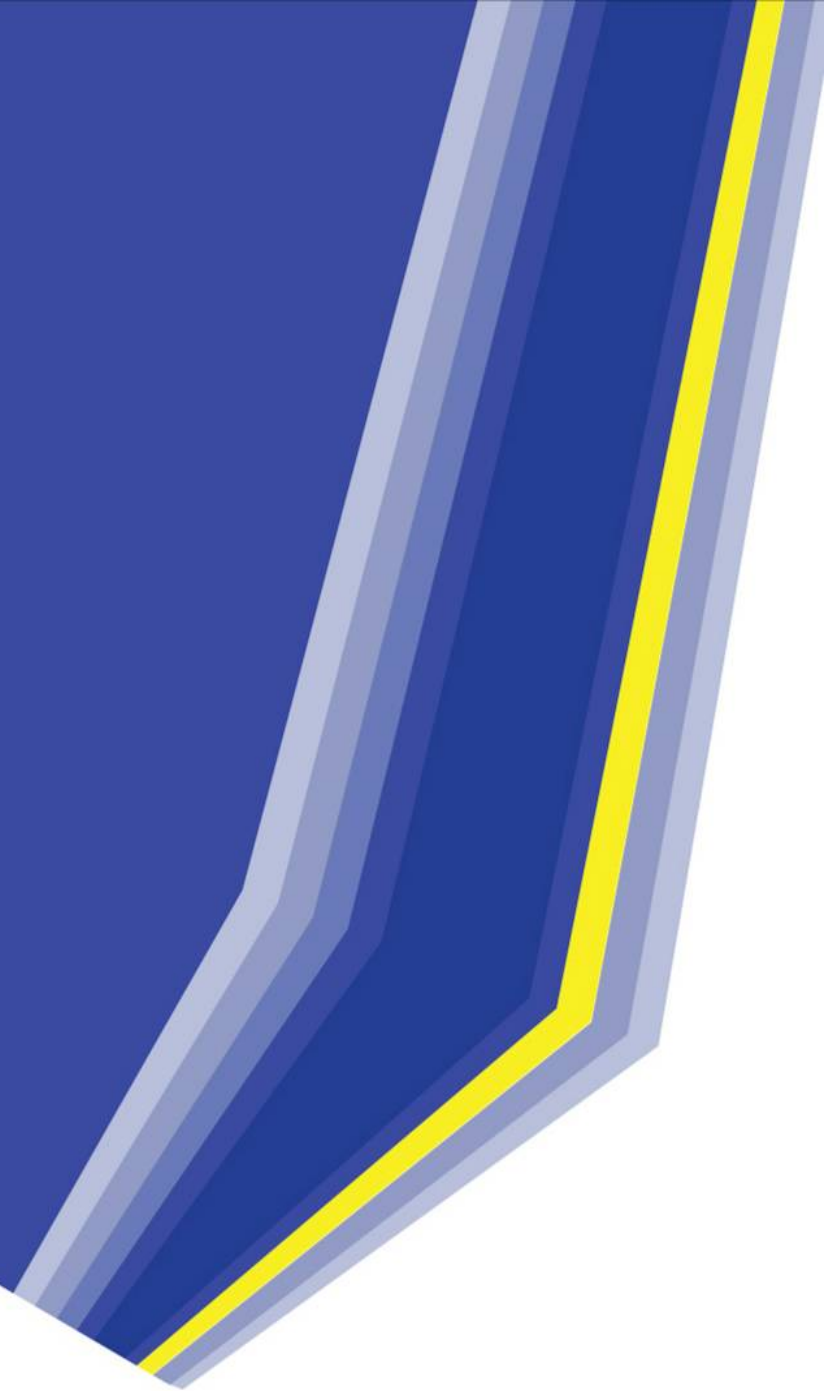
Reflection #2

Take a moment to think and raise hand to share.



Your friend from grad school is starting a new tech business and wants to bring you in. He asks you what kind of culture you think the firm will need to succeed? Are these values different than the ones you thought of at the beginning of class?

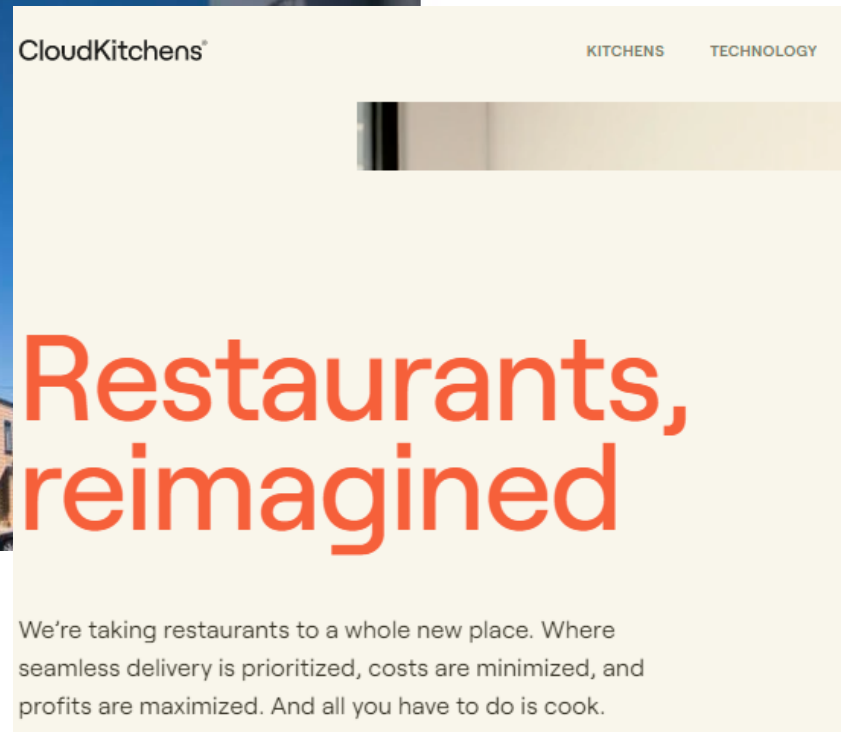
Corporate Culture: What Investors See



Reflection

Kalanick's Next Venture: CloudKitchen

The Bay Area residents fighting a mysterious startup taking over their quiet street



As an investor, what might you want to know about Kalanick's next venture?

Investors and Culture Proxies (1)

Famous 2011 study: “Does the stock market fully value intangibles? Employee satisfaction and equity prices”

Year of list	Best Companies	Added	Dropped
1984	78		
1993	69	30	39
1998	70	34	33
1999	68	26	28
2000	60	20	28
2001	55	15	20
2002	55	13	13
2003	61	14	8
2004	57	11	15
2005	58	11	10
2006	50	8	16
2007	47	10	13
2008	42	11	16
2009	39	7	10

100 Best Companies to Work For

Investors and Culture Proxies (2)

Hypothesis #1: BPTW companies will earn greater stock market returns than non-BPTW company even on a risk-adjusted basis.

- **Finding: 2.1%-3.5% annual excess returns for BPTW**

Hypothesis #2: Employee satisfaction is beneficial to firm value, but not immediately capitalized by the market because it is intangible. Instead, it only affects the stock price when it subsequently manifests in tangible outcomes like earnings surprises, thus generating superior long-run returns.

- **Finding: Earning surprises are greater for BPTW**

Why I Am Leaving Goldman Sachs

TODAY is my last day at Goldman Sachs. After almost 12 years at the firm — first as a summer intern while at Stanford, then in New York for 10 years, and now in London — I believe I have worked here long enough to understand the trajectory of its culture, its people and its identity. And I can honestly say that the environment now is as toxic and destructive as I have ever seen it.

To put the problem in the simplest terms, the interests of the client continue to be sidelined in the way the firm operates and thinks about making money. Goldman Sachs is one of the world's largest and most important investment banks and it is too integral to global finance to continue to act this way. The firm has veered so far from the place I joined right out of college that I can no longer in good conscience say that I identify with what it stands for.

It might sound surprising to a skeptical public, but culture was always a vital part of Goldman Sachs's success. It revolved around teamwork, integrity, a spirit of humility, and always doing right by our clients. The culture was the secret sauce that made this place great and allowed us to earn our clients' trust for 143 years. It wasn't just about making money; this alone will not sustain a firm

Investors and Culture Proxies (3)

Greg Smith seems to blame the demise of Goldman Sachs's culture on its transformation from a partnership to a publicly traded company.

Example raises questions:

- What constitutes a firm's culture?
- How can culture be measured by investors?
- Does this culture impact a firm's success? If so, why?
- How can being public or private enable or curtail the formation and preservation of a value-enhancing culture?

Corporate Websites

1. **Integrity** + Ethics + Accountability + Trust + Honesty + Responsibility + Fairness + Do the right thing + Transparency + Ownership
2. **Teamwork** + Collaboration/Cooperation
3. **Innovation** + Creativity + Excellence + Improvement + Passion + Pride + Leadership + Growth + Performance + Efficiency + Results
4. **Respect** + Diversity + Inclusion + Development + Talent + Employees + Dignity + Empowerment
5. **Quality** + Customer + Meet needs + Commitment + Make a difference + Dedication + Value + Exceed expectations
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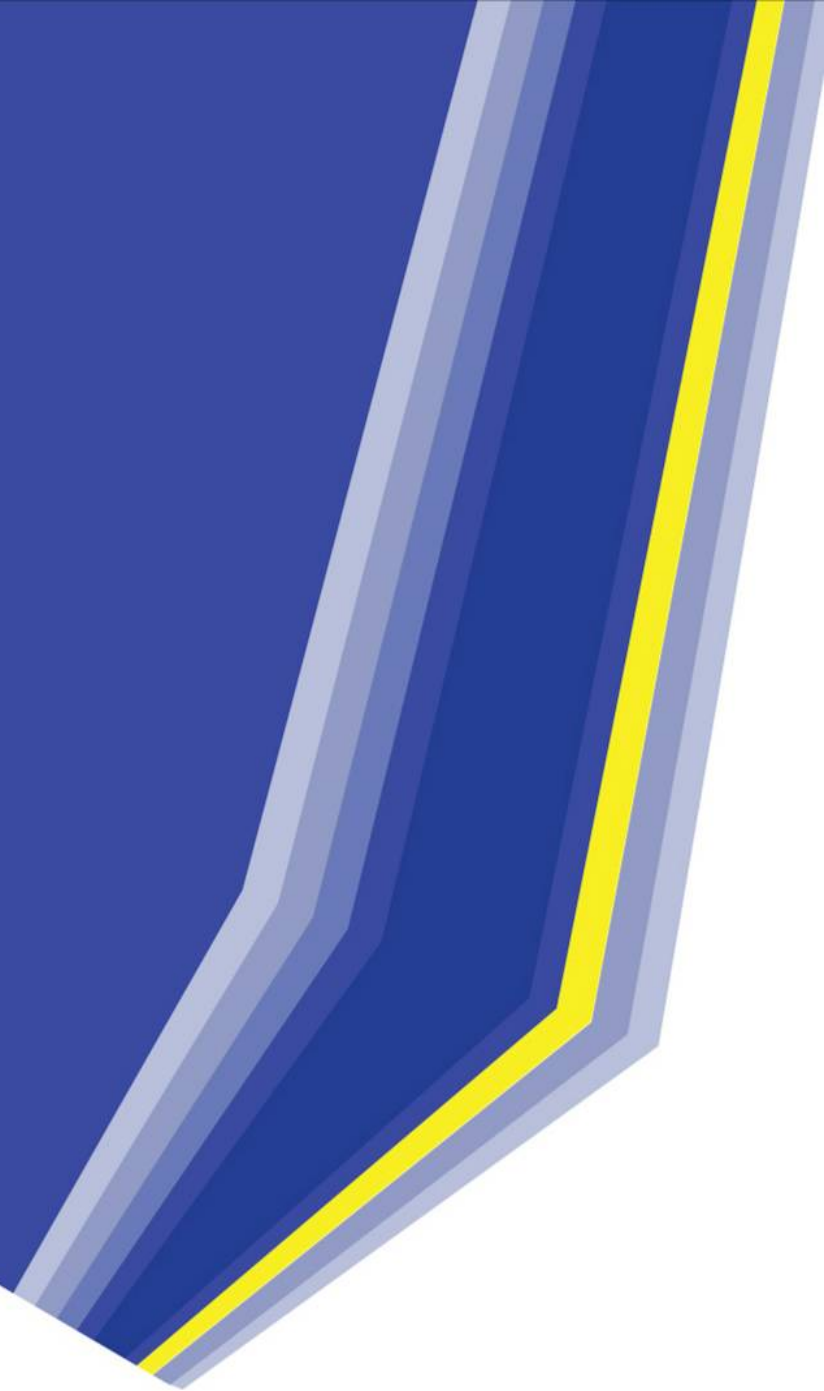
The Value of Corporate Culture

By Luigi Guiso, Paola Sapienza, and Luigi Zingales (2015)

Key findings

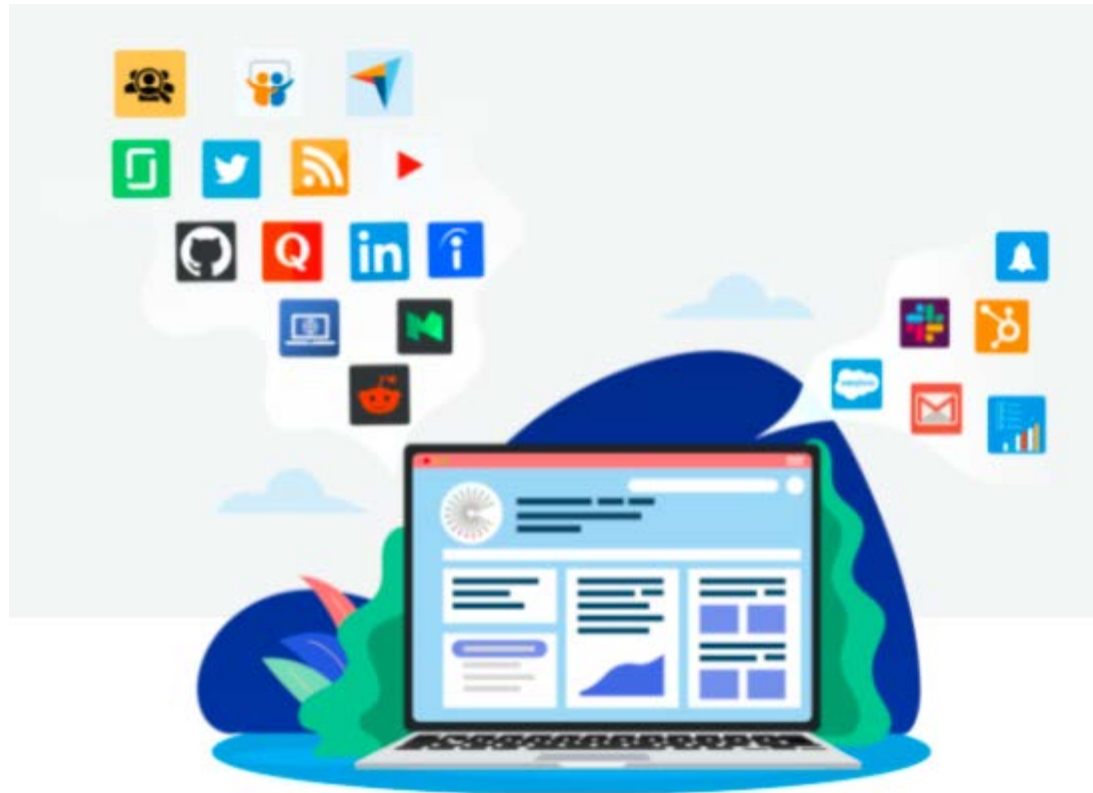
- Proclaimed values (i.e., what appears on the corporate website) appear to be irrelevant to firm value.
- Actual values (i.e., what employees perceive as the tone set by management) are linked to performance.
- Interestingly, though, not all values. Only integrity matters, which they measure via ethics and trustworthiness.
- Does private vs. public matter for sustaining integrity as a corporate value? Yes, being a publicly traded firms have a harder time sustaining a lived value of integrity.

Corporate Culture: Technology and Measurement



Machine Learning and Culture

- Natural language processing can learn culture from text
- Websites like Crayon, Glassdoor, Cultureamp, Vault, etc... all have text and info relevant for abstracting culture



Summary of Today's Class

- The importance of defining cultural values
 - Comparison of Uber and Amazon's cultural values
 - Do the values selected matter? If so, why and how?
 - How does corporate culture spread? Is it possible to copy a culture?
- Why outsiders may undervalue culture
 - Espoused vs. lived corporate culture
 - How technology can help outsiders to better measure culture

Reading (for next time)

- (Read intro) Grennan, J., 2013, “A Corporate Culture Channel: How Increased Shareholder Governance Reduces Firm Value” [Link](#)
- (Read intro) Benabou, R., and J. Tirole, 2003, “Intrinsic and Extrinsic Motivation” *The Review of Economic Studies*, Vol. 70, No. 3 (Jul., 2003), pp. 439-520. [Link](#)
- (Read intro) Rock, E. and M. Wachter (2001) “Islands of Conscious Power: Laws, Norms, and the Self-Governing Corporation” *University of Pennsylvania Law Review*, Vol. 149, No. 6 (Jun., 2001), pp. 1619-1700. [Link](#)
- New York Times, Sept. 6, 2015, “Rising to Your Level of Misery” by Arthur Brooks [Link](#)