



Organizational Culture

SOC 121D: People Analytics

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(Organizational) Culture

- Probably one of the most poorly defined words in the social sciences
- Yet an invaluable analytical tool for understanding how and why groups behave differently
- Emile Durkheim thought of it as a “cloud” that hangs over society
- Clifford Geertz thought of it as a “web” that humans spin and envelope themselves in
- It is an ontologically, methodologically, and ethically fraught concept

Summary

As we wrote in the beginning, what is special about Netflix is how much we:

- 1. Encourage decision-making by employees**
- 2. Share information openly, broadly, and deliberately**
- 3. Communicate candidly and directly**
- 4. Keep only our highly effective people**
- 5. Avoid rules**

Finally, Antoine de Saint-Exupéry, the author of *The Little Prince*, shows us the way:

If you want to build a ship,

don't drum up the people

to gather wood, divide the

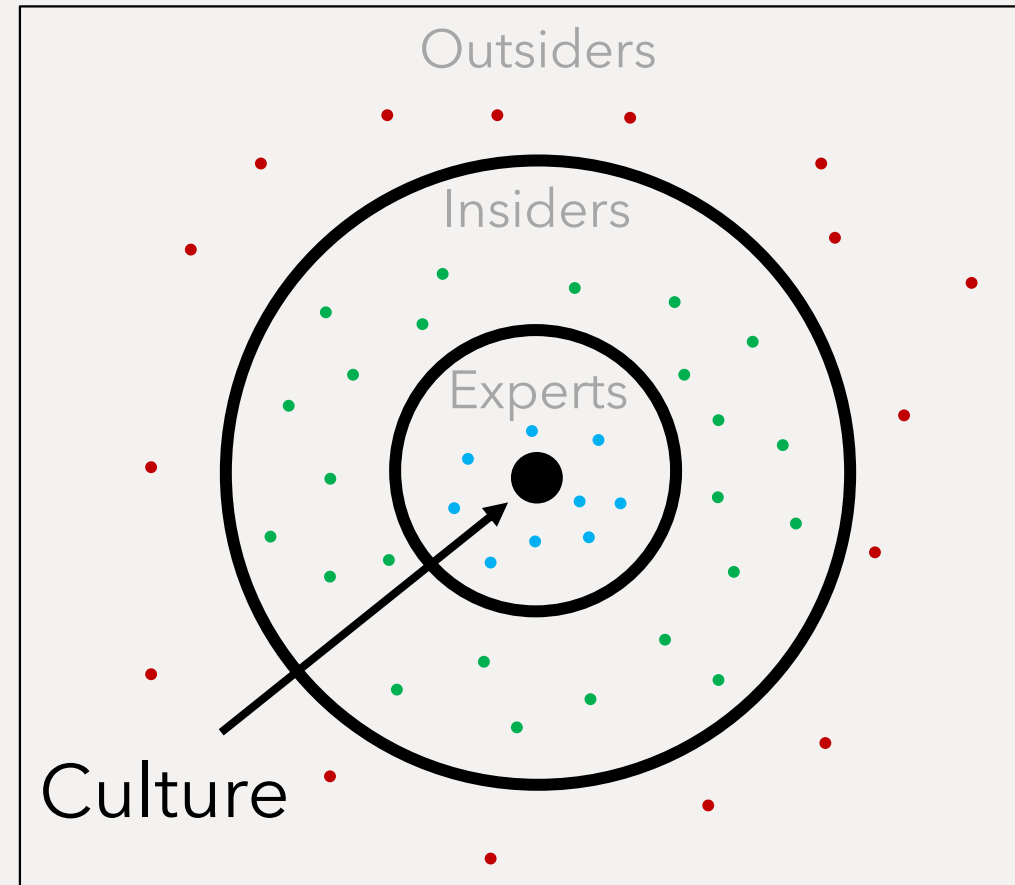
work, and give orders.

Instead, teach them to yearn

for the vast and endless sea.

Culture as Consensus Approach

- Culture is a shared base of knowledge and opinions
- Individuals can differ in how competent they are with respect to the culture
- "Getting it"



Measuring Culture as Consensus

Would you call the following diseases "a cold"?

Allergies ☐ Yes ☐ No

Influenza ☐ Yes ☐ No

Chicken pox ☐ Yes ☐ No

Diphtheria ☐ Yes ☐ No

Romney, Weller, and Batchelder 1986

Measuring Culture as Consensus

Would you call the following diseases "a cold"?

Allergies

☐ Yes

Influenza

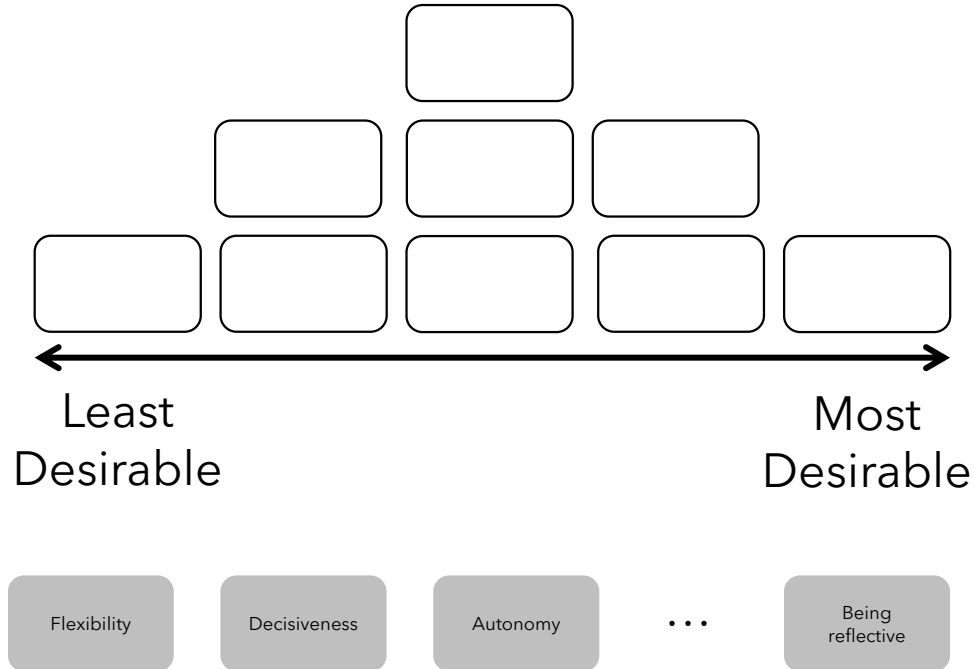
☐ Yes

Chicken pox

☐ Yes

Diphtheria

☐ Yes



Romney, Weller, and Batchelor

O'Reilly, Chatman, and Caldwell 1991

Measuring Culture as Consensus

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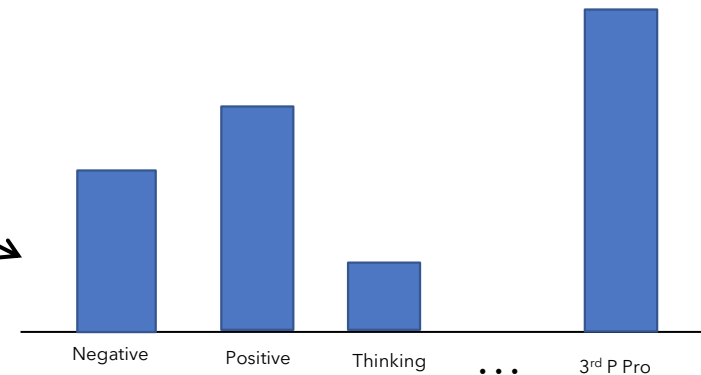
Romney, Weller, and Batchel

Flexibility

Decisiveness

O'Reilly, Chatman, a

"I'm annoyed by Steve. He knows that I'm not into that kind of vibe."



Goldberg et al 2016

Optimal Culture Strategy

- If culture reliably predicts behavior, and behavior reliably predicts performance, then specific cultures must be better-performing (on average) than others
- This might depend on sector/field/niche
- Certain practices might be better for organizations with different cultures
- Certain “bundles” of cultural features might be optimal
- Some cultures are “toxic”





Distributional Strategy

- It's not so much the **content** of culture that matters for performance, but the **distribution** of that content
- Those who "get" the culture might perform better
- Alternatively, insiders and outsiders might flourish under different conditions
- Outsiders might bring new ideas

Effecting Organizational Culture

- Pipeline (targeted recruitment)
- Hiring (specific tests, interviews)
- Socialization (mentorship programs; training; cultural artifacts)
- Retention/promotion (culture and evaluation criteria)

Some Notes on Organizational Culture

- Culture imbued with value can be difficult to change
- Cultural elements can be theorized as simple (e.g., a belief or value) or more complex (e.g., a perceived relationship between values)
- Disagreement on how much culture is **internal** versus **external** versus **interactional** (likely all three)

Culture as Sorting Critique

- “Culture” is a vague term
- However, it is legitimate right now to hire for “cultural fit”
- Orgz use this to capriciously hire (perhaps discriminate)

“Good fit”



“Bad fit”



Culture as Sorting, cont.

- Might be based on leisure activities, perceived personality, or more nefarious things (e.g., physical attractiveness, race, gender, etc.)
- Even genuine attempts to find “good fits” might tend to discriminate (similarity thesis)





Wrapping up the class...

*...A very brief summary of the
last eight weeks*

The Three Perspectives of This Class

Data Scientist

- **People analytics** is an approach to solving problems
- **Understand** how contemporary approaches to data analytics works
- **Optimize** organizational practices with data and prediction

Ethicist

- **People analytics is** a set of decisions that impacts peoples' lives
- **Understand** social problems and the societal consequences of organizations' decisions
- **Consider** the unintended consequences of organizational practices

Organizations Scholar

- **People analytics is** a set of organizational practices that changes how business is done
- **Understand** the organizational setting holistically and analytically
- **Contextualize** specific practices and trade-offs within the organizational and its environment

What Did We Learn?

- **Week 1: Organizational Theory** (neo-institutionalism; transaction cost economics)
- **Week 2: Machine Learning** (random forests, regression, multilayer perceptrons)
- **Week 3: Hiring and Bias** (statistical, taste-based, and status-based discrimination; insider and outsider bias)
- **Week 4: Performance and Engagement** (accountability, development, feedback, and evaluation; alter feedback, goal completion, collective performance, metrics)
- **Week 5: Discrimination and Compensation** (adjusted and unadjusted pay gaps; within-job, allocative, and valuative discrimination; pay equity analysis)
- **Week 6: Digital Trace Data** (term frequency, latent document structure, and semantic similarity analysis; centrality analysis, community detection, network-level characteristics)
- **Week 7: Diversity and Teams** (teams as promoting coordination and innovation; different ways to promote diversity)
- **Week 8: Organizational Culture** (culture as consensus, culture as sorting critique)

Reminders

- Org Culture discussion papers are due next Tuesday at 1:30 PM
- Final papers are due next Monday at 11:59 PM
- Office hours are tomorrow from 11 AM – noon in my office (we can go longer if folks still have questions)
- **Please** fill out your course reviews!!!!

Thanks everyone!

