**Workplace Modernization**

When asked to imagine a prototypical office building from even a few years ago, it's a safe bet that your mind will conjure up an image of grey walls encompassing neatly lined cubicles, each hosting a quiet figure hunched over a computer. Within the last few decades, these grey walls have been swapped for energizing vibrant colours or removed altogether. The drab cubical of the past has been replaced with bean bags, sofas and communal desks available for anyone to come set up their work-provided laptops.

Silicon Valley has proudly carried the torch as vanguards of this new, ideal office culture. Tech giants and start-ups alike have clustered in close quarters within Santa Clara Valley, attracting thousands of young computer science graduates each year and fighting to snatch up the cream of the crop. Top talent is enticed with free lunches (Schneider, 2019), and onsite laundry, car maintenance (Nvidia, 2021), and gyms (Employee Benefits Details, 2020a). The typical 9-5 workweek has been replaced with flexible working hours (Employee Benefits Details, 2020b). and offices designed around fun and collaboration.

The modern technology company has sold itself as a paradise for young, passionate workers, but have these modern perks translated to happier employees? There isn't a clear-cut answer. While information technology companies frequently top the lists of Fortune 100 best companies to work at ([Fortune, 2021](https://fortune.com/best-companies/2021/search/?bestcos_industry=Information%20Technology) ), the treatment of technology employees has gained attention in the media and academia for the exploitation that has run rampant due to a work culture of extreme hours. In 2006, Wi[therford & Peuter](C:\\Users\\elizk\\OneDrive\\Desktop\\Thesis\\EA spouse. pdf.pdf) presented a critical analysis of what they titled an overwork epidemic. Since then, the prevalence of overwork has been quantified in several large-scale surveys of employees from technology companies in the United States and Canada. These results have consistently demonstrated the impact of this overwork culture on employees: 8.6-hour average workdays (N > 3000; [Bitbucket, 2012](https://bitbucket.org/jaimefjorge/softwaredeveloperstatistics/wiki/Home)); 47 hour work weeks (N = 1,271; [Gallup, 2014](https://news.gallup.com/poll/175286/hour-workweek-actually-longer-seven-hours.aspx)); high (57%) prevalence of burnout (N = 11,487; [Team Blind, 2018](https://www.teamblind.com/blog/index.php/2018/05/29/close-to-60-percent-of-surveyed-tech-workers-are-burnt-out-credit-karma-tops-the-list-for-most-employees-suffering-from-burnout/)); or 20% of the sample working overtime at least once or twice a week (N= 7,138; [Stack Overflow, 2020](https://insights.stackoverflow.com/survey/)). Overtime is reportedly frequently, and this a point of particular concern due to the fact that, in both [Canada](https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/forms-resources/igm/esr-part-7-section-37-8) (Government of British Columbia, 2020) and the United States [(U.S. Department of Labour, 2021](https://www.dol.gov/agencies/whd/fact-sheets/17e-overtime-computer)), Technology workers are exempt from overtime pay, daily or weekly limits on work hours or mandatory rest periods.

While the policies and perks implemented by these companies suggest a strong desire to create a fun and inspiring workspace for employees, the outlook on employee workload and mental health begs the question of whether this modernization has contributed to a culture of overwork and exploitation. One possible mechanism at play could be the role that company perks and policies play in signalling to observers what type of culture an organization has. Perks, especially unique and eye-catching perks, and policies provide very salient pieces of information that a person can use to form their opinion or understanding of an organization that they only interact with from outside. System justification theory suggests that once this perception is formed, its holder will be strongly motivated to protect that image of the system and defend it in the face of contradictory evidence. In the context of Silicon Valley, the issues of overwork and employee exploitation are much more ambiguous constructs that challenge the initial image of a fun and laid-back work environment. If these instances of exploitation are encountered after an observer has already formed their opinion, the observer could justify what they see in order to protect their positive perception of the organization. Should this be the case, it could help explain why these issues of unfairly compensated overtime and exploitation remain a consistent issue despite the increasing number of calls to address the problem. This glorification of overwork has indeed been seen in social media as chronic fatigue, and 50 hours work weeks are rebranded as "hustle culture" or "rise and grind." Voices challenging this phenomenon are met with harsh critique ([Gewirtz, 2017](https://medium.com/thrive-global/a-tech-insider-perfectly-explains-why-startup-culture-is-broken-425fc6e163e4), [Griffith, 2019](https://www.nytimes.com/2019/01/26/business/against-hustle-culture-rise-and-grind-tgim.html)).

**Organizational Culture**

Workplace culture in high technology companies varies; however, shared needs and environments lead to similar cultures forming within certain types of organizations. Organizational culture encompasses the shared beliefs, values, assumptions and definitions of character held by members of an organization which determine the norms and patterns of behaviour that develop ([Cameron & Quinn, 2011](https://books.google.ca/books?hl=en&lr=&id=EgADAwAAQBAJ&oi=fnd&pg=PR9&dq=the++%22competing+values+framework%22++quinn&ots=o-mK0IRhXN&sig=VEsoY_0X2nIvyONows2YNZGj-m0&redir_esc=y#v=onepage&q=the%20%20%22competing%20values%20framework%22%20%20quinn&f=false), [Johns & Saks, 2020](https://revel-ise.pearson.com/courses/5f3430c73adce0001ae73cf6/pages/a9815f2b91dd402dbecc1ba81ff48d77f0d7b2c08?source=contents)). It provides members with the unspoken guidelines for how to be accepted by the organization. Culture was largely ignored in organizational research until the 1980s. There was no effective manner of identifying an organization's given culture until Robert E. Quinn, and John Rohrbaugh presented the Competing Values Framework in 1983.

The Competing Values is a theoretical framework for diagnosing organizational culture and evaluating organizational effectiveness (Quinn, [Rohrbaugh](https://pubsonline.informs.org/doi/abs/10.1287/mnsc.29.3.363), 1983). Throughout the past 40 years, it has become one of the predominantly used models of organizational culture and has heavily influenced research into the diagnosis and intentional change of culture within an organization ([Yu & Wu, 2009](http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.1089.632&rep=rep1&type=pdf)). Despite being developed in a North American context, it has been studied across the globe and found to maintain its validity and reliability ([Yu & Wu, 2009](http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.1089.632&rep=rep1&type=pdf), [Lamond, 2003](https://www.emerald.com/insight/content/doi/10.1108/02683940310459583/full/html?casa_token=knE0QsrHuqQAAAAA:vOtox03agTdh7J7PE-lCnOF28yQDUBpFgkIRuuwWW0T0gdmu_V9pydhptuMNhNWGAaghsU_IYABle0i-XUBDzyjLO9pjPlmvaPA9npcYMAqdJGFcEhs)). The model itself consists of two dimensions that distinguish the criteria an organization uses to determine its effectiveness. The first relates to how an organization values flexibility versus stability. On one end of the spectrum, there are versatile and pliable organizations that consider themselves effective because they can change and adapt quickly. On the other end are those who value steadiness and durability; they are viewed as effective if they remain stable, predictable and mechanistic over time. The second dimension differentiates organizations based on their orientation. Organizations that put a greater emphasis on internal orientation value integration and unity and focus inwards on their members. They strongly value organizational cohesion. On the other end lie organizations with an external orientation focus on interacting or competing with others such as competitors or their industry as a whole who prioritize uniqueness and independence (Cameron & Quinn, 2011).

The two dimensions of the Competing Values Framework come together to form four quadrants that represent classifications of organizational cultures defined by their values. The four cultures are briefly described as follows (Kim & Quinn, 2006, [Yu & Wu, 2009](http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.1089.632&rep=rep1&type=pdf)): Clan culture is both internally focused and flexible. It prioritizes the shared goals and long-term benefit of its members. To do so, it utilizes rich member interaction and aims to act like an extended family. Adhocracy culture shares the flexibility of a clan culture but focuses outward on the market and differentiating itself from the competition, and keeping ahead of the market. It is characterized by a creative and dynamic workplace that encourages risk-taking amongst members for the sake of creativity and innovation. Market cultures exist at the intersection of external focus and stability and control. They share the competitive and productive nature of an adhocracy but prioritize acquiring and maintaining a secure customer base and product line instead of innovating and seeking out new trends or markets. Lastly, Hierarchies put emphasis on a clear organizational structure with defined responsibilities for each member. The value here is placed on long-term stability and predictability.

**Organizational Culture in the High Technology Firms**

While this paper focuses mainly on the cultural influence of technology companies in North America, the industry as a whole plays a large role in the Canadian and U.S. economy and politics. Big tech is a term often used to refer to the top tech employers in North America; almost all have their headquarters based in Silicon Valley. In 2020 the market cap (the aggregate market value) of Silicon Valley grew to $10.5 trillion, with Apple, Google, Facebook and Tesla making up 47% of that ([Sumagaysay, 2021)](https://www.marketwatch.com/story/silicon-valley-is-not-suffering-a-tech-exodus-and-money-is-flowing-in-at-record-rate-for-a-fortunate-few-11613760421#:~:text=Silicon%20Valley%20and%20San%20Francisco,companies%20such%20as%20Tesla%20Inc.). The technology industry is massive. It is also dominated by a small number of very large and powerful companies that need to innovate at a fast pace to compete with each other. Given their need to be flexible, creative and keenly, externally focused on their customer base, and competition it comes as no surprise that adhocracy culture has been consistently named as the most prevalent organizational culture in technology firms. Market culture values are the second most prevalent given the cultures' shared prioritization of flexibility and productivity. While flexibility and cohesion are important, the need to maintain an external focus takes precedence, which is why clan culture is typically less associated than Adhocracy and Market Culture. Hierarchies are seen as an anti-culture to big tech, given the slow pace of change that accompanies bureaucracy (Kim & Quinn, 2006).

These findings are consistent with the body of research on the management style of technology companies. For several years there has been a strong focus on the role of organizational agility within tech companies. This is defined as an organization's ability to sense changes in their environment and responding to them efficiently and effectively. It is seen as a critical antecedent for a companies performance [(Felipe, Roldan, Leal-Rodriguez, 2017)](https://pdfs.semanticscholar.org/1bd8/961575b2bde5339f1b38b33cc0c2e63954e4.pdf). While both clan cultures and adhocracy cultures provide the flexibility required for the agile workflow that has become so popular in tech companies, adhocracy cultures have shown a stronger positive relationship with organizational agility in a large sample of Spanish tech companies than clan culture. These findings suggest that the deep focus on internal aspects of a clan culture leads to a relaxation of the external vigilance required for the rapid responses to changes in the environment. ([(Felipe, Roldan, Leal-Rodriguez, 2017)](https://pdfs.semanticscholar.org/1bd8/961575b2bde5339f1b38b33cc0c2e63954e4.pdf)

**How Perks Signal and Influence Organizational Culture**

Previously, we discussed how the novel perks offered at many tech companies signal the type of culture within the organization. These novel perks extend beyond the typical offerings for an employee into amenities and programs that encourage employees to spend their working hours and their leisure time in the office. Collaborative workspaces, games rooms, and free restaurants and cafes are all onsite to encourage the rich member interaction that remains a hallmark of clan cultures. Flexible working hours, smoothie bars and onsite gyms signal that the organization prioritizes the long-term benefit of its members. Free laundry services and flex hours create a laid-back and flexible environment. These perks clearly align with the values and goals prioritized in a clan culture and signal to both observers and members that the organization holds a strong internal focus. They act as symbols of an organization's desire to treat each employee like family( **[K Sun (2016).](https://www.semanticscholar.org/paper/The-Power-of-Perks%3A-Equity-Theory-and-Job-in-Valley-Sun/2ea09b70510c6bb4c0ec3f54496c762fd46bcab8))**

While information about perks offered by technology companies shapes the perception of observers, it also works to shape the organizational culture within by creating norms. Norms are the social patterns within a group that govern the behaviour of its members and influence what behaviour members approve or disapprove of (Morris, Hong, Chiu & Liu, 2015). Information that describes the behaviour of members within a group is called a descriptive norm, and it has been shown to have a powerful influence on the behaviour of others ([Cialdini, 2007](C:\\Users\\elizk\\Downloads\\conservation20study20normative20beliefs20most20influential.pdf)). When organizations promote the perks they have available for employee use, such as those described above, they establish norms for new employees to follow. To have a norm where employees grab dinner at the pub after work or slip in a gym break throughout the day can encourage new members to socialize with their colleagues and exercise. Findings have shown that perceived descriptive norms even have the ability to continue shaping the behaviour of new members even after the original members present in a group have left (Morris et al., 2015). This can be a very positive thing when the norms result in healthy behaviours; however, there have been concerns raised over some of the potentially unhealthy behaviours that may come as a result of these norms. One such concern is that bringing these facilities into the workplace has effectively eliminated the need for employees to leave the building and actively encourages long workdays ([Lyons,](https://knowledge.wharton.upenn.edu/article/silicon-valley-work-culture/) 2019). When a gym is in the office, this reduces the to leave the building to exercise. On-site, subsidized pubs and cafes may prompt employees to stay at work for dinner with friends then work a few more hours after since they are within minutes of their desk. While organizations may seek to use these amenities to promote a fun and engaging workplace, they have an added benefit of keeping work in-site and in mind for their employees from sunrise to well after sunset.

It is possible that, in addition to shaping norms of staying at the office, perks play another role in pushing employees to meet unhealthy expectations playing into a norm of reciprocity. The norm of reciprocity is a centuries-old principle of human behaviour that when someone receives something, they want to repay the benefit back ([Zlatev & Rogers, 2020](https://poseidon01.ssrn.com/delivery.php?ID=237074081092014096091005117018085117052050089038069021127117099117101116098095015105100061021123008121098002026109006095083086011010071043048113008065019127088011089034030071120118006108118021122119093104080104093107091105069075019065094075118117000&EXT=pdf&INDEX=TRUE)). The perks made available to employees act as a supposed unconditional gift that they have the offer of not using. Then, when an organization lays out its goals and makes requests of their employees, this evokes a novel case of reciprocity called returnable reciprocity. Returnable reciprocity is when the gift that an individual receives can be returned or not used, thus removing the initial benefit to the recipient ([Zlatev & Rogers, 2020](https://poseidon01.ssrn.com/delivery.php?ID=237074081092014096091005117018085117052050089038069021127117099117101116098095015105100061021123008121098002026109006095083086011010071043048113008065019127088011089034030071120118006108118021122119093104080104093107091105069075019065094075118117000&EXT=pdf&INDEX=TRUE)). While it may seem that the option to return a gift would negate the desire to return the favour, research has found that the use of returnable gifts actually results in greater compliance with reciprocity norms by increasing the motivation to return the favour. Gyms, games rooms and flexible working hours can all be made available to an employee who then has the option to use or avoid them. This, in theory, would result in greater social pressure being placed on employees to adjust their behaviour to meet the demands of their leadership at work, such as working 50 to 70+ hours a week during the crunch periods before product launches ([International](https://igda-website.s3.us-east-2.amazonaws.com/wp-content/uploads/2019/04/11143720/IGDA_DSS_2017_SummaryReport.pdf) Game Developers Association, 2017).

These perks are often seen by the employees and outside observers as signals of a cool and laid-back work culture. They are then used to form initial perceptions of the organization as one who is fun and cares about its employees are though they are family. Meanwhile, norms are developed within the organizations. These may encourage positive outcomes such as social interaction and good health habits but then could also result in normative behaviour such as working long hours or feeling obligated to meet the demands of leadership regardless of whether those demands are reasonable or not. This positive perception of the organization remains in the mind of outside observers, and System justification theory would suggest that they will be more likely to justify instances of employee exploitation or mistreatment should they observe this within said organization.

**System Justification**

System justification is the social and psychological tendency to defend the status quo. System Justification theory states that when a person is exposed to a system or social order, they use the first evidence provided to establish their perception of the system and from then on want to feel good about it. They then aim to bolster the status quo and defend the system in the face of a threat against their perception(Friesen, Laurin, Shepherd, Gaucher & Kay, 2018). This desire to defend the system may even override a desire to protect individual and collective interests (Jost, Banaji and Nosek, 2004). This system has been observed in an organizational setting before. A series of studies by Kim, Campbell, Shepherd and Kay (2020) looked at the tendency to justify the exploitation of employees in industries where they are expected to be driven by a passion for their work. In the context of our study, individuals are exposed to a technology firm and use perks that signal clan culture as evidence that the organization cares about meeting the needs of its employees. Then the observer wants to feel good about them, so they defend the norms there in the face of anything that threatens their positive perception, such as evidence of an employee being overworked or mistreated. Because these instances get justified, they don't get corrected, and issues within the industry persist.

The term justified reflects the process an observer undergoes while evaluating a social situation based on the outcome for each party and determining whether or not they consider the situation and the procedure behind determining the situation's outcome fair and just. This is a very subjective process. A group value model of procedural justice suggests that many of our attitudes and beliefs about what is fair are instilled through socialization, while in a self-interest model of procedural generation, people are prioritized with maximizing personal gain, and the assumption of prioritized outcomes is extended onto both parties of the observed interaction Lindt & Tyler, 1988). Based on the understanding that both models carry merit, it is likely that our decisions of fairness are influenced both by our social experiences as well as our understanding of what each party got out of the interaction. This process is heavily influenced by the party's perception of the organization as hand and their procedures. This perception has also been shown to be vulnerable to the effect of structures within the organization that signal an illusory sense of fairness (Kaiser, Major, Jurcevic, Dover, Brady & Shapiro, 2013). It stands to reason that signals of a caring organizational culture may have similar influences on an individual's perception of procedural fairness within an organization.

Additionally, the decision may lean in favour of an organization (or representative of such) should the situation involve unfair treatment towards a vulnerable member of the system. This comes from an interaction between our motivation to rationalize the status quo, as a result of system justification and a desire to re-establish a sense of order in the face of uncertainty as declared by Compensatory Control Theory (Kay, Whitson, Gaucher & Galinsky, 2009). When the member is treated unfairly, this acts as a threat to the legitimacy of that system. While it was previously discussed that system justification may lead to a bolstering of the positive perception of the organization, there may be another effect. When an instance of inequality is observed that treatments a system, people lean on complementary stereotypes of the victim to justify the unfair treatment, they observe (Kay, Jost, Mandisodza, Sherman, Petrocelli & Johnson, 2007). This would suggest, should an observer be asked to evaluate the fairness of the situation that threatens their positive perception of the organization, they will rely on stereotypes that allow them to feel better about the outcomes the employee faces, thus creating a bias towards perceiving the outcome as fair in the face of unfair treatment.

**Exploitation in the Technology Firms**

System Justification Theory raises concerns over the justification of exploitation of employees, and this has been discussed mainly within the context of working uncompensated overtime to meet presumably unfair work expectations should they require more than 40 hours for salaried workers to complete (Kim, Campbell, Shepherd & Kay, 2019). Fairness-based accounts of exploitation state that exploitation occurs when an individual is insufficiently compensated for the work they are asked to perform ([Zwolinski, 2012).](https://www.cambridge.org/core/journals/social-philosophy-and-policy/article/abs/structural-exploitation/CF9FC090DC3B9B02E886C97E2A208CC3) The concept of exploitation itself is subjective in that multiple observers of an event could have varying beliefs as to whether the treatment of a worker was exploitative or not depending on their understanding of the term, interpretation of event and belief of what is fair ([Shelby, 2002).](https://www.jstor.org/stable/23562053?seq=3#metadata_info_tab_contents) As such, an argument could be made that employees are not being exploited when being asked to work more hours either directly or indirectly (through work objectives and deadlines that require more hours of work to be completed on time). With the operative word of the previous statement being 'asked,' if an employee is simply asked to carry out this behaviour, then would that not imply they have the option of simply saying no? In the context of a workplace, there is an inevitable power imbalance between the employee and the organization's representative (likely a team lead or manager) who is making the request. This power difference and the multitude of potential negative outcomes that an employee may worry about could result from their refusal effectively give a request the same psychological weight as an order (Kim et al., 2019). The same could be said for the expectation placed on employees to shoulder mistreatment from their superiors. Should they fear negative repercussions, this creates a psychological barrier to raising their complaints or seeking fair treatment. To ensure that our study captures the aspects of a fairness-based act of exploitation, we followed Kim et al.'s (2019) method of clearly communicating to participants that our employee in question was not offered extra compensation for any additional work or roles he was asked to take on.

**Hypotheses**

To investigate the impact of signalling clan culture with perks on the bolstering of positive perceptions of tech organizations in the face of conflicting information, we plan to explore the following three hypotheses. First, observers who encounter an organization with the telltale novel perks seen in silicon valley will rate instances of exploitation as more justified than participants who encounter a version of the organization without novel perks. Our second hypothesis is that participants who encounter the organization with novel perks will rate instances of mistreatment as more justified than participants who encounter the version of the organization without novel perks. Lastly, we predict that participants who encounter the organization with novel perks will consider higher expectations than industry norms as more acceptable than participants who encounter the organization without novel perks.