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ENGL317-002

Professor Charney

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Paper Assignment #2

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TO: Jensen Huang, CEO

FROM: Nathan Ketterlinus, Consulting LLC

DATE: 11/3/23

SUBJECT: Nvidia’s employee relations

This letter aims to analyze Nvidia’s management and employee relations. In general, Nvidia appears to handle their relations quite well. The company offers employees highly competitive pay as well as one of the best benefits packages in their niche. Their employees also think very highly of the company in reviews. Finally, the one area Nvidia may have a slight problem in is their unbalanced diversity in their workforce, although this is an issue that plagues nearly all STEM companies in the US. This is an issue that Nvidia has a unique responsibility to fix.

**Employee Compensation and Benefits Package**

Put simply, Nvidia Employees are going home with a large chunk of change. The median employee compensation is $134,213 per year (Comparably, 2023). In addition, the benefits package offered to employees is estimated to be worth around $12,474 (Levels, 2023). Using AMD and ASUS to gauge industry standard, Nvidia has the most valuable package available. They are estimated to be worth $7,998 and $1,095, respectively (Levels, 2023). It is worth noting that Intel was exempt from this comparison. As their business does not primarily focus on GPUs, this would be an invalid comparison. Finally, Nvidia does a solid job at maintaining pay equality across gender and race. Table 1 highlights various pay ratios for their employees, and the largest pay difference in the last year is a 0.8% deviation (Nvidia, 2023).

Table 1

| Pay Ratio | FY23 | FY22 | FY21 |
| --- | --- | --- | --- |
| Women | Men (Global) | 99.5 | 100 | 99.0 | 100 | 98.2 | 100 |
| Asian | White (U.S.) | 100.1 | 100 | 100.2 | 100 | 98.2 | 100 |
| Black/African American | White (U.S.) | 101.5 | 100 | 102.4 | 100 | 101.9 | 100 |
| Hispanic/ Latino | White (U.S.) | 99.2 | 100 | 98.5 | 100 | 98.3 | 100 |

Nvidia’s Pay ratios across race and gender for the last three fiscal years, as reported by Nvidia (Nvidia, 2023)

**Employee Sentiment**

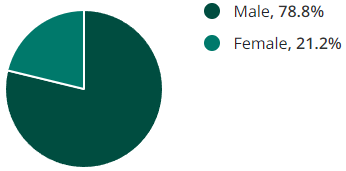
Generally, Nvidia’s employees think very highly of the company. It is inevitable that every company has a few bad reviews, but the sheer volume of positive reviews to negative is what really makes Nvidia stand out. Across 5.2 thousand employee reviews, Nvidia has garnered an average rating of 4.6/5, with a 98% CEO approval rate (Glassdoor, 2023). This information is legitimized by Great Place To Work, a group that polls various companies’ employees to gauge anonymous sentiment, who reports similar statistics. They claim that 97% of Nvidia’s employees say that Nvidia is a great place to work, compared to 57% in the average US company (Great Place To Work, 2023). As an aside, the most common complaint, found in 94 Glassdoor reviews (~1.8%), was poor managers (Glassdoor, 2023). This issue seems to be small enough to conclude that Nvidia generally appoints good managers.

**Employee Diversity**

Finally, Nvidia’s weakest area is hiring diversity. Specifically, Nvidia hired a disproportionately low number of women, and a disproportionately high number of Asians during FY23. As a baseline, Image 1 shows gender ratios for computer scientists in the US, while Image 2 shows race ratios (Zippia, 2023). Nvidia, reports hiring 78.3% male to 19.9% female in FY23, as well as

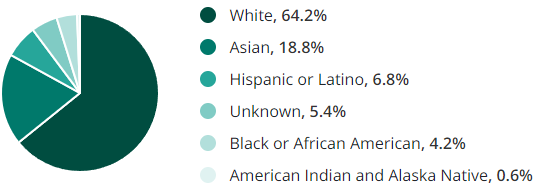
* 52.7% Asian
* 33.9% White
* 4.9% Hispanic/ Latino
* 4.6% unknown
* 1.9% Black or African American
* 0.04% American Indian or Alaska Native (Nvidia, 2023).

Image 1



Computer scientist gender ratio (Zippia, 2023)

Image 2



Computer scientist race ratio (Zippia, 2023)

Nvidia is hiring 1.3% less women to men than the industry standard. In a national climate so sensitive to empowering women to join STEM, Nvidia should be at the forefront of this movement. Similarly the mass overhiring of Asians could be interpreted as a perpetuation of stereotypes, and the company should be careful not to “rock the boat”, and bring negative publicity to themselves as a result. Nvidia is already taking lengthy measures to be a fair employer, such as having a guide for unbiased recruiting and hiring, guiding underrepresented candidates through the interview process, and regular review of the recruiting pipeline, among other steps (Nvidia, 2023). Nvidia should ideally be using their position to provide more equitable access to technology related education and resources, such as offering scholarships or code bootcamps to underrepresented individuals. This has the benefit of bolstering Nvidia’s public image.

**To Summarize**

Nvidia’s employee relations are incredibly positive. From a six figure average compensation to a flood of positive user reviews, Nvidia’s doing something right. The only problem is an unbalanced representation in the workforce. Nvidia is already taking appropriate and effective steps to remedy this internally, but should be using their position to make the field of computer science more equitable for all, although the benefits of such a solution may not show themselves for a while. If this paper raises any questions, feel free to write a return letter to the same address this letter came from.

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