



Does Company Culture Increase Shareholder Value?

*Analyzing Stock Performance of Glassdoor's
“Best Places to Work” Companies*

*Michael Cho
October 2019*

Median Attributes of “Best Places to Work” Companies

	attributes	median	
Great Benefits	benefits_rating	4.2	
	ceo_recommendation	80.0	} Great CEO
	ceo_score	91.0	
Great Culture	culture_score	4.0	
	interview_difficulty	2.9	} Difficult but Positive Interview Experience
	interview_positive_xp	69.0	

If your company fall within the follow attributes,
it is comparable to Glassdoor’s Best Places to Work!

Companies that repeatedly win “Best Places to Work”

Company	Number of Times Won
Google	11
Apple	11
Bain & Company	11
Southwest Airlines	10
Facebook	9
Salesforce	9
Chevron	9
Slalom	9
Boston Consulting Group	9
McKinsey & Company	8
Adobe	8
NIKE	7
Procter & Gamble	7
Intuit	7
LinkedIn	7
Costco Wholesale	7
Qualcomm	7

Google, Apple, and Bain & Co.
have won every year since 2009

Industries that repeatedly win “Best Places to Work”

Industry	Count
Computer Hardware & Software	111
Consulting	50
Internet	45
Health Care Services & Hospitals	35
Grocery Stores & Supermarkets	23
Biotech & Pharmaceuticals	22
Enterprise Software & Network Solutions	17
Consumer Products Manufacturing	17
Airlines	15
Investment Banking & Asset Management	14
Accounting	12
Electrical & Electronic Manufacturing	12
Fast-Food & Quick-Service Restaurants	12
IT Services	12
Oil & Gas Exploration & Production	11

Technology & Consulting
are some of the best
industries to work for.

Negative Reviews from Employees at Best Places to Work

“Work Life Balance” is a reoccurring theme in both positive and negative reviews.



Bad Benefits, Management, Low Pay, Long Hours

“Work Life Balance” is a reoccurring theme in both positive and negative reviews.

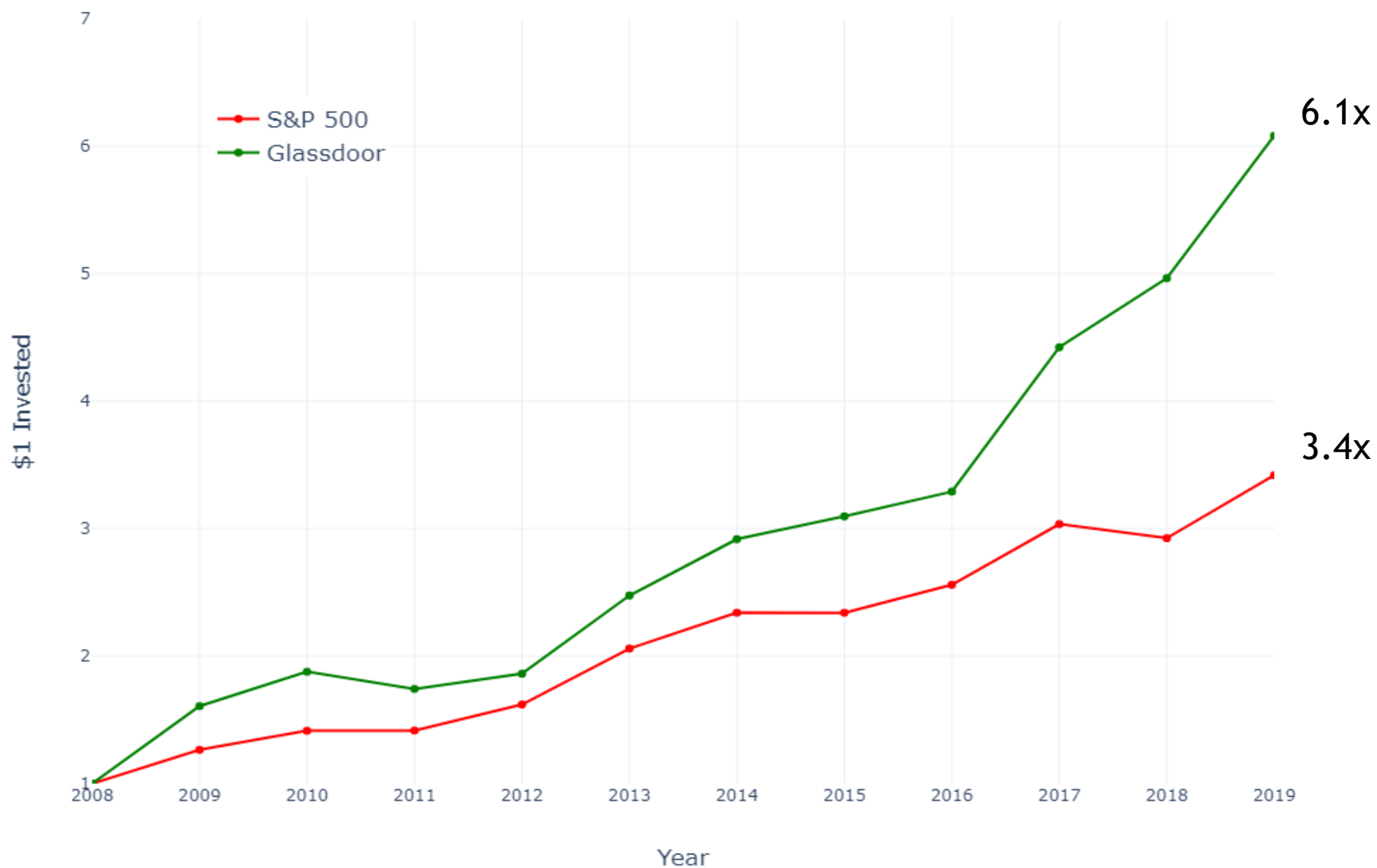


Average 1-year return: Glassdoor vs. S&P 500 Companies

Average 1-year return	
Glassdoor	19.1%
S&P 500	12.3%

*Dec 2008 - Oct 2019 Annualized Returns

\$1 invested in Glassdoor 'Best Places to Work' vs. S&P 500 Companies



Higher Ranking, Higher Returns

Higher Ranking Companies may have better returns than lower ranking companies.

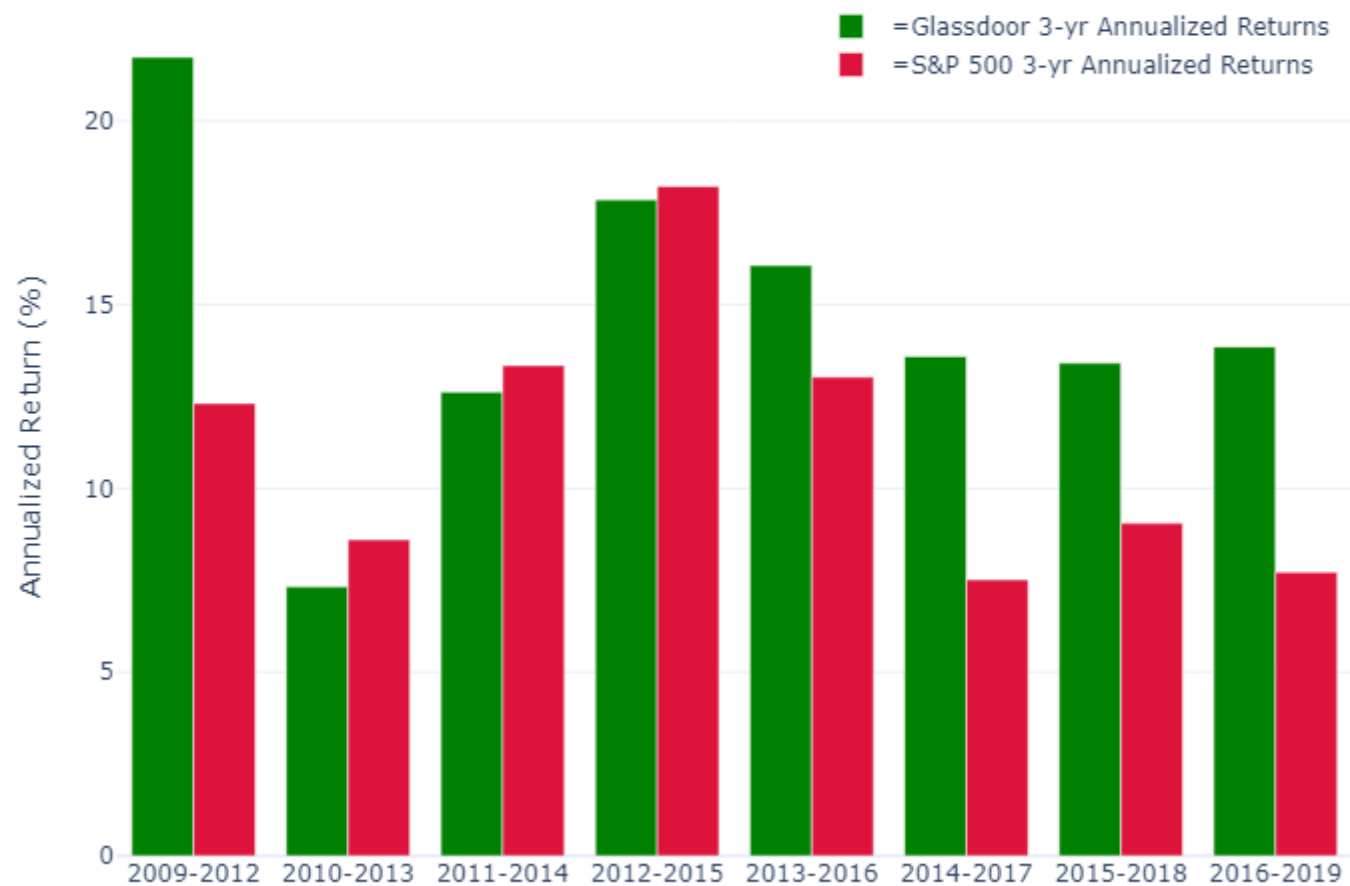
rank	one_return
★ 1-10	23.3
11-20	20.8
21-30	21.3
31-40	17.0
41-50	16.9
50+	14.3

Pearson Correlation: -0.96

Rank Category is negatively correlated to one-year returns.

Buy and Hold “Best Places to Work” for 3 years

3-year Annualized Returns: Glassdoor “Best Places to Work” vs S&P 500



Average 3-year return

Glassdoor 15.7%

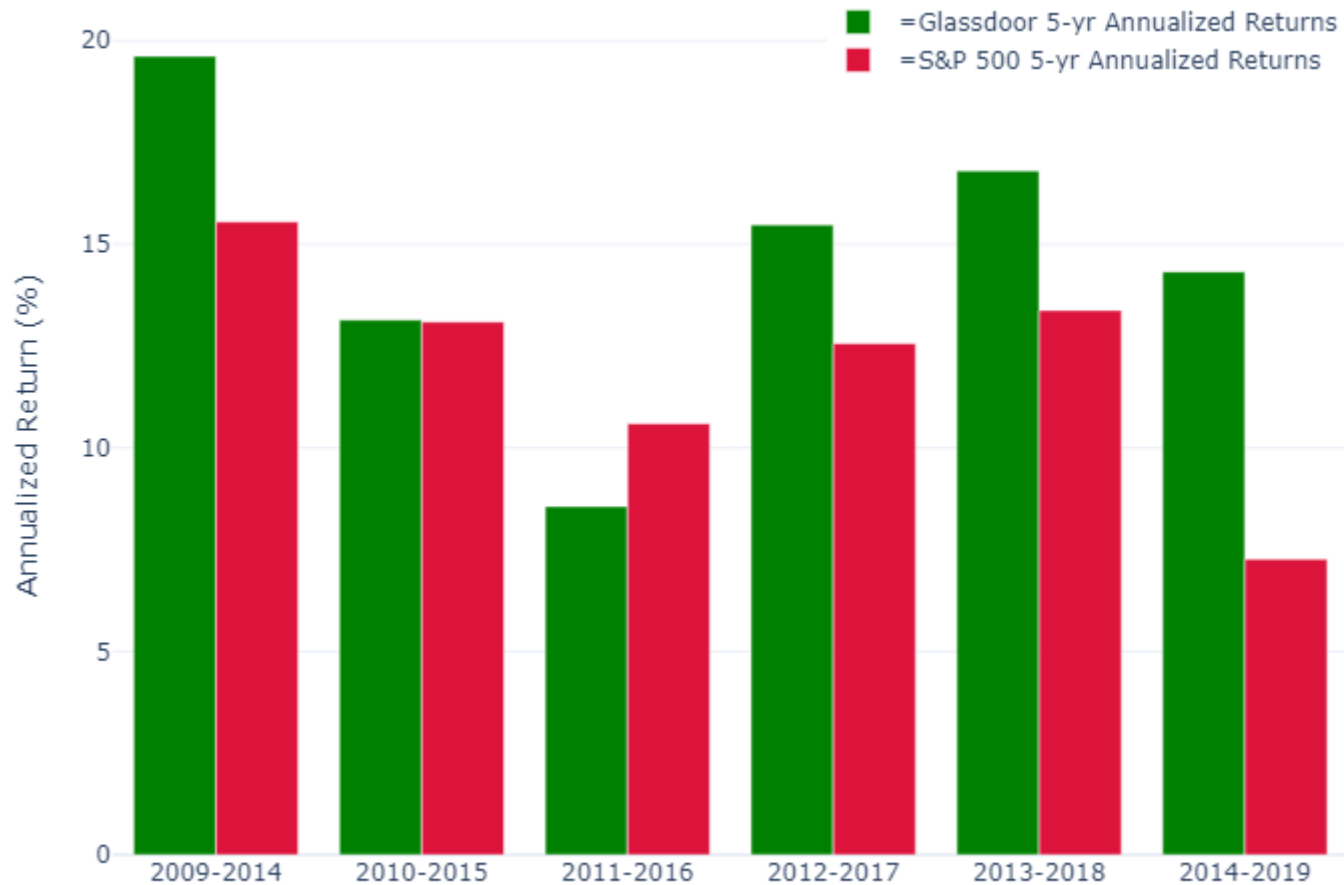
S&P 500 11.2%

*Dec 2008 - Dec 2018 Annualized Returns

cohort

Buy and Hold “Best Places to Work” for 5 years

5-year Annualized Returns: Glassdoor "Best Places to Work" vs S&P 500



Average 5-year return

Glassdoor 15.3%

S&P 500 12.1%

*Dec 2008 - Dec 2018 Annualized Returns

cohort

Conclusion

Company Culture is not short-term catalyst
but a long-term competitive advantage.

Shareholders: Invest in companies with good culture.

Companies: Invest in and around your employees.

Unemployed: Look for great culture, benefits &
'Work - Life - Balance'