

WHO'S WINNING

in
Employee Satisfaction



From Unicorns to Giants: Who is winning in Glassdoor Ratings - Unicorn Startups or Fortune 100s? Our Cutting-Edge Machine Learning Analysis Reveals the Secrets to Boosting Employee Satisfaction!

Fennie Chang
Senior Researcher, Hu-X

Lydia Hsu
Senior Statistician, Hu-X

Tzviya (Tia) Katz
Founder and CEO, Hu-X

The question of who had more enthusiastic, content employees used to be a no-brainer. Growing tech companies, with their innovation-fueled exuberance, usually won the day against many of the supposedly stodgy, decades-old incumbents that populate the ranks of the Fortune 100.

This was true as recently as last year, according to our review of Glassdoor data, when companies in the Unicorn category — nearly 60% of them in tech — scored higher in employee satisfaction than Fortune 100 companies. This year, however, the tide has turned. Unicorn companies saw notable declines in their satisfaction scores.

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Satisfaction with senior management dropped the most...

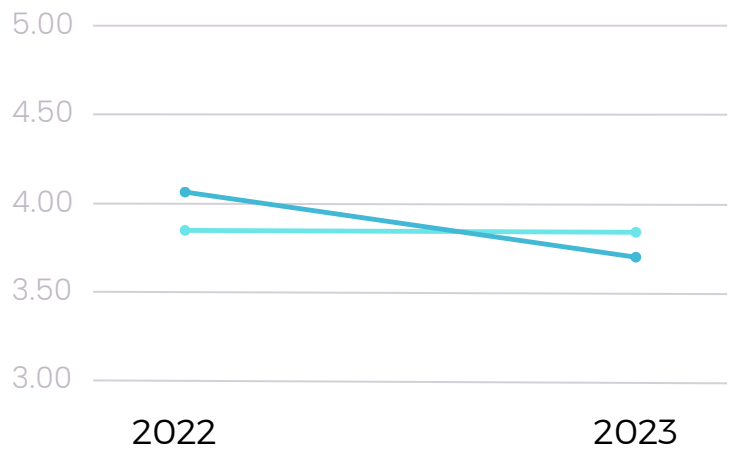
Satisfaction with senior management dropped the most, at about an **11% lower** than last year.

Satisfaction with career opportunities saw a **9.5% drop**, while satisfaction with culture and values **was down nearly 9%**.



Fortune 100 companies, meanwhile, maintained relatively steady scores, with no measures dropping more than a single percentage point but because Unicorn ratings fell that much, Fortune 100s can now boast higher scores, including a higher overall satisfaction rating at 3.83, than their Unicorn counterparts (3.7).

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What explains the role reversal? The sweeping layoffs of 2022 and 2023 are the likely culprits. While companies in both categories announced job cuts, Fortune 100 companies might be proving more adept at maintaining employee engagement during times of upheaval.

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This could be thanks at least in part to their longevity — averaging around 89 years — which provides them a reservoir of strategies to navigate through economic downturns, including tried-and-true protocols for optimization and “tightening the belt.” Attitudes within such companies, too, may differ from those at newer tech firms: the collective memory of the ups and the downs of conducting business can empower greater resilience with a mindset of “this too shall pass.”



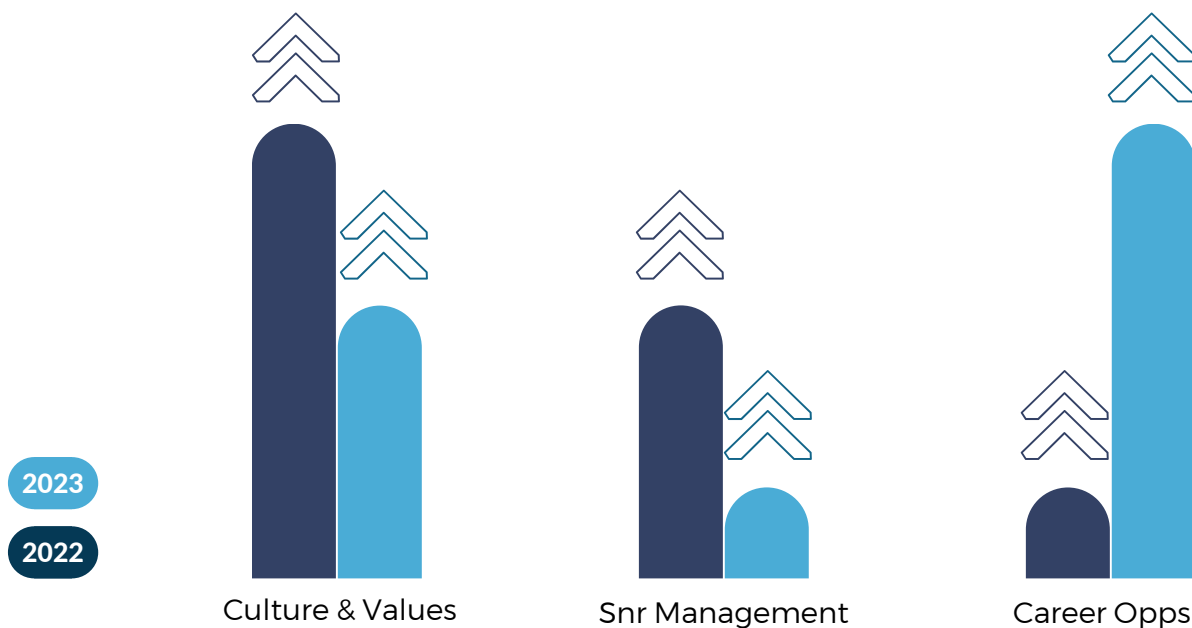
On the flip side, Unicorn companies, while celebrated for their innovation and disruptive potential, often only know their meteoric rise to success. Now they're being pulled back down to earth, with their employees facing some of the gravest consequences and adjusting their perspectives accordingly. Just in 2022, the most important driver of Glassdoor scores in these companies was "how employees feel as part of the organization" (a.k.a. "culture and values"). A year later, having experienced layoffs themselves or observing as others are asked to leave,

In Unicorns,
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Career Opportunities.



the most important driver has become "how can I make sure I'm increasing my employability beyond this organization?!" (a.k.a. "career opportunities").

Top 3 most impactful drivers of satisfaction in Unicorn 100:



Five ways to enhance career development

For companies, the good news is that they can forge stronger connections with their employees by leaning into their career aspirations. Some steps organizations can take to match this shift:



Maintain ongoing **career development conversations** with employees to map out their goals and the potential ways to obtain them.



Build **clear, transparent, and flexible career pathing**.



Provide ample **opportunities for continuous growth and development** via a variety of modalities (training, workshops, job shadowing, stretch assignments, joining task forces, mentoring, and more).



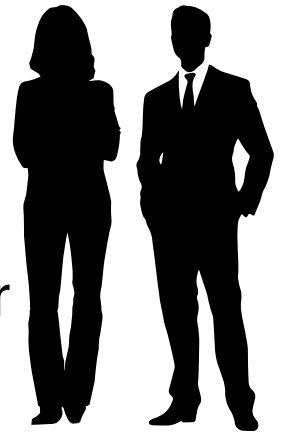
With promotions few and far apart, **create ways to recognize employees' work** and ways for them to **externally demonstrate** progress (e.g., certifications).



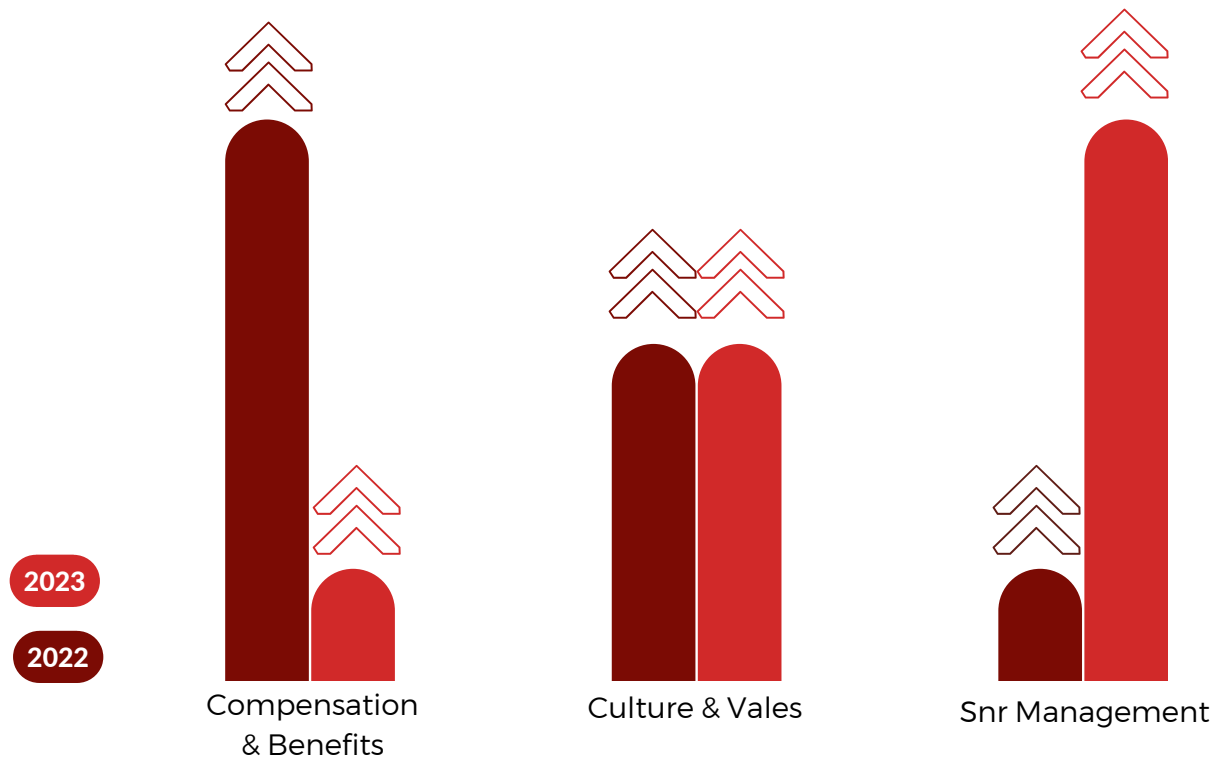
Make sure that regardless of your organizational structure and types of titles, your **employees have at least a rough sense of what level of seniority they occupy** — e.g. associate, director, assistant vice president, etc. — in their current industry. Employees want to feel that their skills and experiences are desirable beyond your organization, transferable, and reflect the right level for where they are in their careers.

An emphasis on employee development can be helpful for both Unicorn companies and Fortune 100s. The latter can't necessarily afford to rest on their laurels: Their overall satisfaction score of 3.83 – while better than that of Unicorns – is still well below the Glassdoor maximum of 5. Our 2022 research showed that in Fortune 100 companies the biggest driver of overall Glassdoor scores was compensation. However in 2023, the biggest driver is senior management. In other words, senior management have a stronger impact (positive and negative) than other measured drivers.

In Fortune companies, the biggest driver is Senior Management



Top 3 most impactful drivers of satisfaction in Fortune 100:



Five ways to strengthen Senior Management



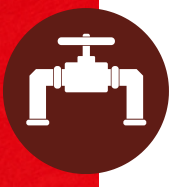
Some steps you can take to strengthen senior managers include:



Investing in leaders' vertical development, which involves nurturing their personal growth and leadership qualities beyond professional and basic managerial skills. This development is often achieved through transformative experiences such as secondments, and opportunities that challenge them and promote reflection, as found in individual coaching, group coaching, reversed mentoring, and senior management development programs.



Educating and promoting senior leaders' self-care and mental health so they have a greater capacity to lead with empathy and wisdom.



Strengthening the senior management pipeline by making sure you are selecting and developing people who will have a positive impact on employee engagement. This might mean reassessing and redefining what a successful senior leader is and the competencies, qualities, and behaviors they exhibit.



Enhancing leaders' skills in areas that increase likability, such as listening skills, empathy, demonstrating vulnerability, expressing gratitude, etc.

When tech layoffs wind down – as some reports suggest is already underway – will Unicorn ratings shoot up again? Perhaps, but in the meantime, it certainly wouldn't hurt all companies to build a more solid foundation for employee satisfaction. That way, when the market destabilizes again, they may find themselves steering through less troubled waters.



METHODOLOGY

Goal: our objective was to assess whether the strongest predictors of Glassdoor scores from 2022 are still the same as this year, 2023.

Sample: We collected the publicly available data from Glassdoor and Fortune 100 in both 2022 and 2023 for a total of 400 companies. Specifically for our Sep, 2023 study, we collected data from 100 Unicorn companies and 100 Fortune companies.

Methodology: To identify the strongest predictors of Glassdoor ratings, we primarily used statistical methods based on trees, like random forests and gradient boosting decision trees. We applied machine learning techniques to identify the model that performed the best when tested. In this study, ridge, Huber, and Bayesian regression were selected.

To understand how important each feature is for making accurate predictions, we calculated "feature importance." This calculation measures how much better the model gets at making predictions when it uses a particular feature. If using a feature significantly improves the model's accuracy, we consider that feature to be important. Features that don't improve the model's accuracy as much are considered less important.



ABOUT US



Hu-X is a global organization helping individuals, teams, and companies reach their goals while enhancing the **Human Experience** at work and beyond.

We offer a range of specialized services as well as comprehensive, ecosystem-based solutions for Leadership and Organizational Development. Our suite of services includes Executive Coaching, Leadership Development Programs (at all levels), Talent Pipeline Building, Organizational And Team Effectiveness and more.

Our team includes 70 consultants, coaches, facilitators, designers, behavioral economists, and statisticians from across the globe who have all served in leadership roles in prominent corporations and academia. You get to pick the right practitioners for your organization's unique needs.

