

Screening for Cultural Fit

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By Robert J. Grossman

New hires sometimes don't pan out for many reasons, but none commands more attention than culture clash—the notion that the person was not simpatico with the employer's culture. In retrospect, disappointed managers might say: "She just wasn't a good fit," "He didn't share our values" or "The chemistry was all wrong."

Ill-conceived matches and the subsequent rapid divorces become costly, estimated at 50 percent to 150 percent of the annual salary, according to HR consultancy Saratoga Institute. Nearly one in three newly hired employees leave voluntarily or involuntarily before the end of their first year. And this number has been increasing steadily for the last four years, according to Saratoga, a consulting service of PricewaterhouseCoopers.

Here are five steps a manager can use to prescreen candidates to fit in his company culture:

1. Analyze the Culture

Who are we ... really? To identify people who will fit your company's culture, you must know what it is. Paul Connolly, president of Performance Programs in Old Saybrook, Conn., and an industrial psychologist, begins by questioning leaders—executive groups or heads of divisions or plants. "I want to know what people on the top of the food chain say the culture is," he says. "Then, I monitor them to make sure they actually do what they say."

Scott Erker, senior vice president of selection solutions at Development Dimensions International in Pittsburgh, studies culture from the top down and the bottom up. "Ask the top what the culture is that's making you successful. Go into the trenches and ask the same question. Then identify the similarities and disconnects."

Usually, consultants identify five to 20 drivers, values, or motivators, then relate them to the company culture and translate them into core competencies that the business requires. The business link is key. For example, if your company's culture values teamwork, Erker asks, what is special about the way you go about it?

Linking the culture to competencies also can help deflect hiring discrimination lawsuits. "If we can tease out the notion of culture, break it out and anchor it to job-related factors, we can support decisions that lead to a good cultural fit," says Mickey Silberman, managing partner at Jackson Lewis LLP in Denver.

2. Develop a Strong Brand

Branding serves as your opportunity to tell potential candidates what your business is about. Depict culture accurately in branding and you'll help applicants self-select in or out. Career portals, messages from top executives, testimonials, virtual job tours and more—all should be designed to give applicants a feel for what it's like to work for your company. For example, hospital operator HCA's web site clearly describes the working environment and the company values and portrays the type of employees who prosper there.

Describing your culture on your web site and elsewhere is fine, with one caution: "You can talk about the culture so people who don't fit in will opt out, but if they say they're qualified, culture can't take precedence over qualifications," Silberman advises. "The web site should include language saying, 'We are looking for the most qualified people for the job.' "

3. Conduct Behavioral-Based Interviews

Many employers are establishing structured interview procedures to help vet candidates to determine if they possess core competencies, drivers or values central to the company's culture.

"Load up the interview process with questions that delve into competencies you can't train for or don't want to train for," Erker says. "For example, I can't train someone to be a self-starter; I can't train for judgment or integrity. In contrast, I can train someone in planning or how to use a calendar."

Behavioral interviewers ask each candidate the same open-ended questions, then score responses on a scale. Interviewing is based on the principle that what you did previously in your life is a good predictor of what you will do in the future. Interviewees are asked to give an example of a situation when they faced a dilemma, a problem or a situation. In contrast, when you ask hypothetical questions, you get less revealing hypothetical answers.

4. Include Auditions, Role-Play

Observe candidates in action by giving them a chance to try out the job either directly or through role-playing or other online or live simulation. Some companies, such as Sunglass Hut, observe candidates in live selling situations. When that isn't feasible, hiring managers role-play as a customer. As a rule, auditions or role-playing

come late in the process when an applicant has completed diagnostics, interviewing, and reference and resume validation checks.

5. Learn the Law

Even if well-intentioned, it's against the law to have a process, procedure or assessment that has the effect of excluding or otherwise discriminating against legally protected applicants. "We want to shake you from the general idea that you can hire people based on non-job-related reasons so long as you're not intentionally discriminating," says Silberman. Consider:

Discrimination. Employers face legal challenges based on theories of both disparate treatment and disparate impact. Disparate impact cases, potentially the most costly, often grow into class actions. Complainants in disparate impact cases need to demonstrate statistically that hiring practices have a disproportionately adverse impact on them and the protected class they belong to. Discrimination has occurred, the argument goes, not because of anything intentional on the employer's part, but because components of the hiring process yielded discriminatory outcomes. If the statistics suggest bias, the employer has the burden of proving that the process is not discriminatory. Failure results in a finding of "systemic discrimination."

Contract compliance and affirmative action. Some 24 percent of companies in the private labor sector have sufficient dealings, directly or indirectly, with the federal government to make them subject to the affirmative action regulations of the Office of Federal Contract Compliance Programs (OFCCP). That means, in addition to legal proscriptions against workplace discrimination, these employers must have affirmative action plans and follow them. OFCCP audits about 7,000 employers annually, or 5 percent to 7 percent of those eligible.

Silberman, who defends 200 to 300 audits a year, says the monetary recovery from employers for lack of compliance has gone from \$23 million in 2003 to \$52 million in 2007. Of the \$52 million, 95 percent of the penalties were levied following findings of applicant-to-hire adverse impact. The focus of most of these inquiries was testing.

Testing. Tests should help make the hiring process fairer. Everyone takes the same test and has to get the same score or finish in the same range to qualify. Before a test can be adopted, it must comply with the Uniform Guidelines on Employee Selection Procedures. They require the test to be predictive as to performance or turnover. It can't just be predictive of attitudes. To prove it is predictive, it must be validated. But it also must be validated to prove it is nondiscriminatory, and that's a potential headache.

When adverse impact is indicated, according to Silberman, the vendor's validation of the test is not good enough. "I'm asked to defend these tests before the EEOC [Equal Employment Opportunity Commission] and OFCCP all the time, and I haven't found them to be defensible."

Employers must demonstrate that those in the protected classes scored within two standard deviations of the mean. Structured interviews with scoring mechanisms must meet the same requirements and must be validated as well.

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