

The Culture Quandary

Creating an Organizational Fit

Several recent studies indicate that a significant percentage of the U.S. workforce is, to some degree or another, disengaged from work. Exact figures vary, but the consistent theme is certain: If the job market were just a fraction more buoyant, millions of workers would be trying to jump ship in a hurry. The problem for many companies is that they fail to realize just how “buoyant” the market may already be, making employee retention not only a hot topic, but a complex one, as well.

Prevailing wisdom tells us that if we want to retain our employees for the long haul, it is important to provide strong career development opportunities, good

leadership, performance-based compensation, flexible hours, work-life balance, good incentives and rewards, up-to-date training and pleasant working conditions. But it is this same wisdom that fails to tell us that all of these measures are something akin to sticking a bandage on a broken leg if we are not employing people with values and preferences that match the existing characteristics of our work environments.

To put it another way, if employees don’t “fit” into the organizational culture, they are likely to seek employment elsewhere regardless of the measures or benefits put in place to retain them. This idea of creating a cultural fit has been researched and proven in cases where up to a 50-percent reduction in unwanted employee turnover was demonstrated. New recruits whose

values and work/style preferences matched the culture of the company they were joining consistently remained with the organization for more than twice as long as recruits whose values didn’t match.

Fundamentally, this is an issue of engagement — if my values and preferences are met by the organization,

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I am more likely to be an engaged, satisfied and motivated employee.

Individual preference plays a key role in retention. Many companies roll out the “fixed-price menu” of retention strategies (e.g., career opportunities, flexible hours, work-life balance, training, etc.), but the problem lies in that a large number of their employees may not find what they’re looking for. More employees want the “a la carte” menu, and they’re prepared to move around until they find it. The bottom line is, in the very near future, companies will have just two effective retention options available to them:

- Develop a 1-to-1 relationship with employees wherein they can accommodate the values and preferences of every individual in the organization, or
- Ensure that they only recruit people who closely match the prevailing culture.

These two options essentially divide employees into two pools: The first pool is comprised of “existing” employees and the second of “prospective” employees.



For existing employees, the first option is critical. How many companies truly understand the employee population's values and preferences? How many have conducted analyses on objective data to understand what the customer-service representatives in Boise, Idaho, value versus the software developers in Santa Clara, Calif.? And how many companies have taken that data and used it to create work environments that lead to an incredibly engaged workforce?

The first option assumes that the organization can and will evolve some aspects of its work environment to engage employees. But changing organizational culture is a serious undertaking, and asking employees to change their own values is a non-starter, so the earlier a company builds an organizational-fit assessment into the hiring process, the better its position.

The second option is the assessment of organizational fit — not a new concept. In fact, it has been a core component of the recruitment process at leading recruiting organizations, like Southwest Airlines and Disney, for many years. Yet it remains elusive for many staffing practitioners. The problem with these assessments is that organizational culture can be undefined and cryptic. Who in their right mind tries to assess his or her company's culture, let alone tries to measure how well a candidate might fit into it? But not knowing how new recruits will fit into the culture leaves the future of the workforce to chance. Of course, it could lead to employee attrition. But a worst-case scenario involves the organization becoming a breeding ground for a dysfunctional and unproductive workforce.

One way to measure organizational fit is to develop an interview process that reproduces scenarios from the actual work environment, monitoring prospective candidates to see how they may operate under those specific conditions. Unfortunately, unless you're Donald Trump filming "The Apprentice," the costs to implement such a process can be prohibitive.

An alternative is the use of behavioral interviewing to elicit potential situational reactions from prospective employees. For example, if you know that teamwork is a key component for success in the company, you might develop a series of teamwork-related behavioral interview questions to probe that aspect of the candidate's values system. It is important to note, though, that it can be difficult to get hiring managers to implement it (effective behavioral interviews take considerably more time than many hiring managers are able to give).

There are also Web-based applications on the market that have broadly divided functionalities that can assess organizational culture (and/or subcultures) and the ability to capture an individual's values and workplace preferences, and calculate the match between these two sets of data. Web-based applications can diminish the elusiveness of culture assessment. These are easy to use, too, as many exclusively leverage an organizational culture assessment methodology called the OCP (organizational culture profile), developed by professors at UC Berkeley, Stanford GSB and Santa Clara University.

OCP measures culture on 54 dimensions and provides analysis and results based on the responses of existing job

incumbents and employees. Most applications have an intuitive Web-based interface and easy instructions. The OCP method takes about 15 minutes for an individual to complete, and the results are clear-cut and easy to understand.

However, obstacles also exist with Web-based applications. For example, if a large section of the population being recruited doesn't have access to the Internet, these employees may be unable to complete the Web application. Also, the company may not be willing or able to have a representative cross-section of its employees define the existing culture.

Companies that are considering Web-based applications also need to consider life after the analysis of the existing culture. Organizations often are surprised by the results. After the analysis, the company needs to consider a culture overhaul, which can be a little like opening Pandora's box.

Regardless of how a company chooses to assess organizational fit, it is important to use the assessment method that maximizes recruitment efforts. Evaluating the company's culture will play a key role in how the recruitment process will work to reduce the risk of employee turnover.

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