

HIRING FOR CULTURAL FIT



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Agenda

- Case for Cultural Fit
- Costs – Absence of Cultural Fit
- Steps to Hiring for Cultural Fit
 - Define your culture
 - Determine position requirements
 - Conduct the interview
 - Measure the candidates

CULTURE

The core values and
collective behaviors that make up an
organization.

CULTURAL FIT

The likelihood that a job candidate will be able to conform and adapt to the core values and collective behaviors that make up an organization.

Cultural Fit in Action

- Video: Pirates of Silicon Valley

Cultural fit
transforms
individual skills
into productivity.



CASE FOR CULTURAL FIT

Zappo's Hiring for Cultural Fit

Video

Pro

Cornerstone study

- Over a 10-year period, companies that intentionally managed their cultures had a revenue growth of 682% versus 166%.

(J. Kotter and James Heskett)

ACCOUNTING PRINCIPALS



ACCOUNTING PRINCIPLES

nPlusOne Group™
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CULTURE FIT BENEFIT

When hiring your next accounting & finance professional, look beyond the skills on their resume & consider how they'll fit into your business culture.



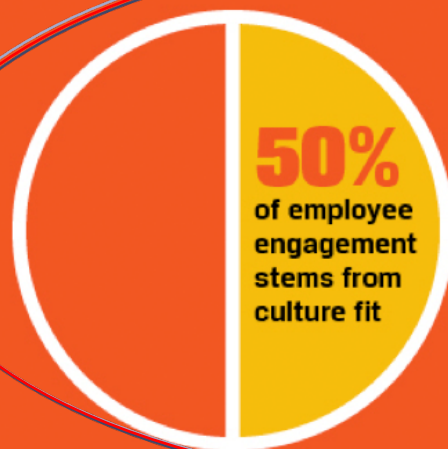
89%
**OF HIRING
FAILURES**

are the result
of poor cultural fit

Replacing an
employee costs

20%
**OF THEIR ANNUAL
SALARY**

BETTER FIT = MORE ENGAGED EMPLOYEES

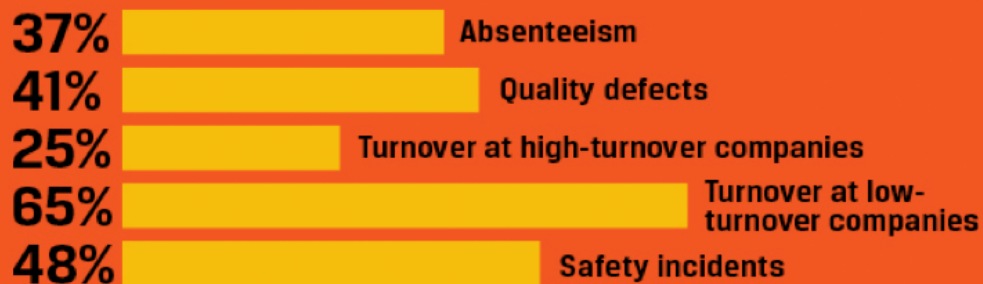


Engaged employees are more than

20%

more productive than disengaged workers

ENGAGEMENT REDUCES



ENGAGEMENT ENHANCES



Companies with lesser engaged workforces perform

44% BELOW AVERAGE

The more important the position, the more important the fit.

Managers, supervisors and senior leaders must align culturally with the people they manage and the people who manage them

The wrong person in a leadership role can lead to **high turnover, lack of productivity and increased friction in the workplace**



GOOD CULTURAL FIT IS GOOD FOR YOU & YOUR EMPLOYEES

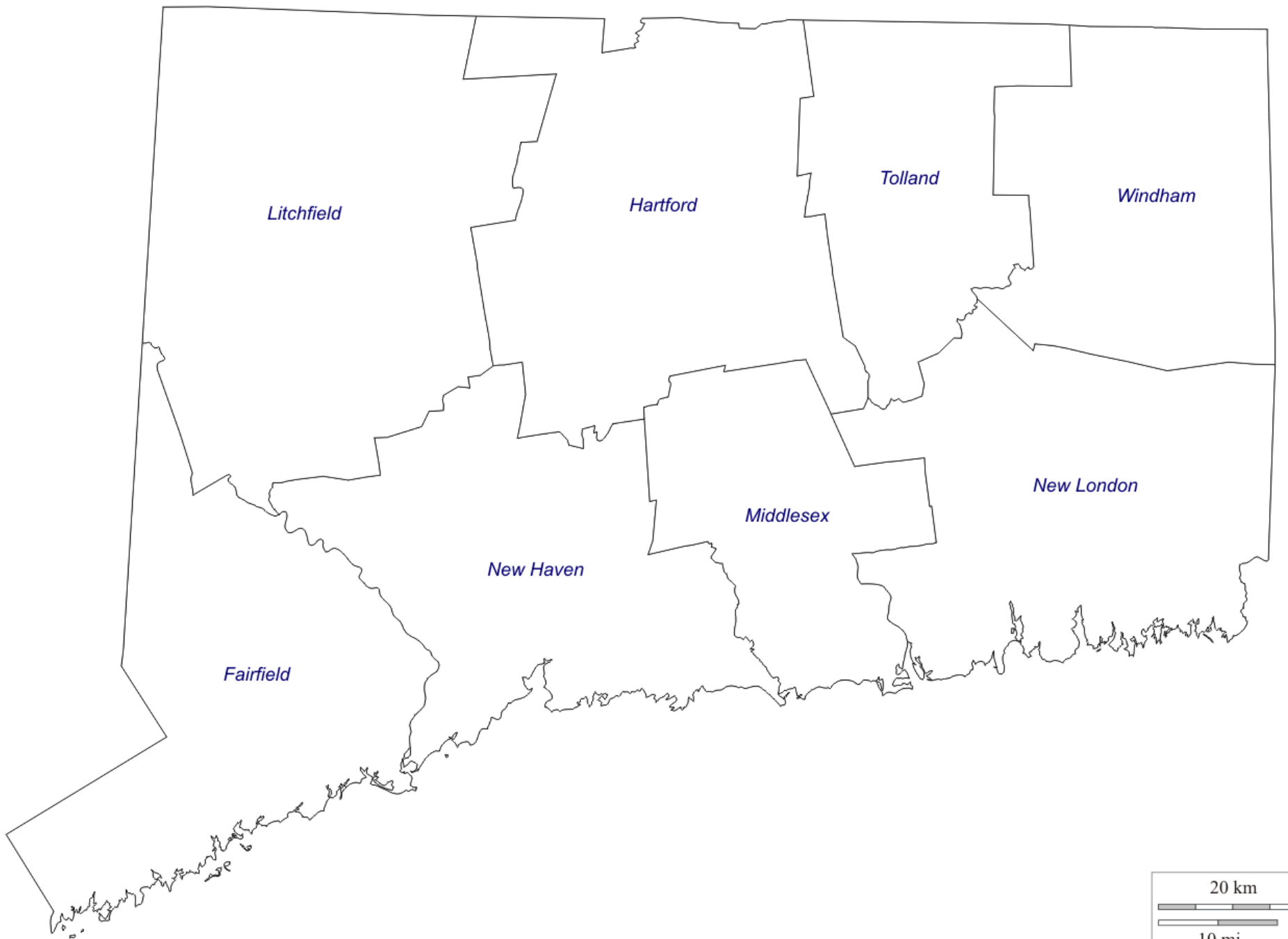


Employees who fit with their organizations:

- › Are more satisfied in their jobs
- › Identify with their companies
- › Remain with their organizations
- › Are mentally and physically healthier
- › Are more committed
- › Show superior job performance

Misuse of cultural fit

- Who you like and who is like you vs. who fits the company's culture and needs
 - Similarity fosters complacency.
 - We get stuck doing things the way we've always done them because no one is challenging us to think differently.
 - Similarity also breeds overconfidence.
 - When everyone around us sees the world exactly as we do, we overestimate the accuracy of our opinions.



Cultural fit
transforms
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COST OF AVOIDING CULTURAL FIT

Cost of Bad Hire

Wide disparity due to large number of variables

- Labor Department = 1/3 of new hire's annual salary
 - costs increase the higher up in the organization the turnover occurs
(ie: CEO = potentially millions of dollars)
- SHRM = up to 5X annual salary

Cost of Bad Hire

- Easy to quantify costs
- Hard-to-quantify costs

Cost of Vacancy

Revenue per employee / # workdays per annum *
days the job is vacant – payroll savings for position

Cost of Vacancy

Annual Revenue	\$35,500,000.00
# of Employees	185.00
Rev/Employee	\$191,891.89
# of Working Days	260.00
Rev. / Empl. / Day	\$738.05
Days of Vacant	60.00
Position Salary	\$73,000.00
Salary/Day	\$280.77
Vacancy Savings	\$16,846.15
Missed Employee Revenue	\$44,282.74
Vacancy Savings	\$16,846.15
Loss during vacancy period	\$27,436.59

Cost of Hiring Process

Search initiation meeting	4	\$134.6
Writing job posting	2	\$67.3
Posting advertisement	1	\$33.6
Fielding calls from potential applications	1	\$33.6
Reviewing resumes	60	\$2,019.0
Telephone interviews	15	\$504.7
Assessment administration	3	\$100.9
In-person interviews	40	\$1,346.0
2 nd interviews	12	\$403.8
Meetings about candidates	4	\$134.6
Make offer (emails / calls/ paperwork)	2	\$67.3
Advertising costs		\$2,500.0
Assessment costs		\$800.0
	TOTAL	\$8,145



STEPS TO HIRE FOR CULTURAL FIT

How to Hire for Cultural Fit

- Define your culture
- Determine job requirements
- Interview
- Objectively measure your candidates

DEFINE YOUR CULTURE



CULTURE

The core values and
collective behaviors that make up an
organization.

Your Culture

Is it by design or by default?

Define Your Culture

333

- 3 best
- 3 worst
- 3 months

Questions to Define Your Company's Culture

- What does your company value?
- What is the atmosphere?
- How do colleagues interact with one another?
- How are conflicts handled?
- What happens at meetings?
- Are processes and procedures important?
- What is the value of creativity and risk-taking?

Questions to Define Your Company's Culture

■ Sample Spectrums to Be Uncovered

- Process-Oriented vs. Creative / Leeway
- Very Structured vs. Fluid
- Individual Contributors vs. Teamwork
- Predictable vs. Hectic
- Authoritative vs. Empowering
- Detail Oriented vs. Big Picture
- Long Term vs. Short-term Thinking

Define Your Culture Externally

3rd Party Organizational Culture Assessments

nPlusOne

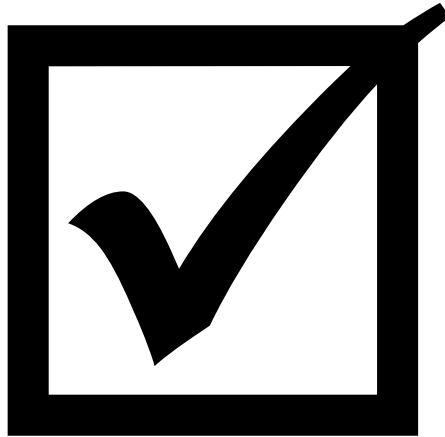
RoundPegg

Denison Consulting

Kikker Groep

McKinsey

DETERMINE JOB/POSITION REQUIREMENTS



Determine Job Requirements

Field
Industry
Education
Certifications
Industry
Job-specific
Relocation
Travel
Citizenship
Technical Skills
Salary Requirements
Attitudes/Behaviors

DESIGN ENGINEER	MUST HAVE	WOULD BE NICE TO HAVE	DREAM	Comments
min # years in parts design field	5-7 years			
min # years of supervision	n/a			
degree	2-year degree	BSEE - strongly	ME	
travel ability	n/a			
citizenship	green card +			
relocation				negotiable
Field	3 yrs high frequency transformer experience (supply - up to 1	high power transformer design experience (40+ kV Hertz)		
certifications				
certifications	n/a			
Job specific	design repeatable			
Job specific	OEM experience			
Job specific	Simulation Software	SolidWorks		other than SolidWorks
Job specific	MS Office			
Job specific	Modeling software (ideally, ansoft/ansys			
Job specific		Partial discharge & corona-free design		
Job specific		amorphous core design (MetGlas)		
Job specific		encapsulating compounds		
Job specific		insulation products		

80%

INTERVIEW



Hiring for Cultural Fit

- Tell me about a time when you had to work closely with a co-worker whom you disliked or with whom you had trouble working. What did you do to make the relationship work so you could succeed for your company?
- What professional decision do you regret the most? Why?
- Share a mistake that you have made at work and how you handled it.
- What is the WORST company culture in which you have worked?

Goofy Questions

- “If you could pick one person to play you in a movie, who would it be?”
- “What are the top five cities you want to go to and why?”
- “Where do you vacation in the summer?”
- What’s your favorite movie?
- What’s your favorite website?
- What’s the last book you read for fun?
- What makes you uncomfortable?

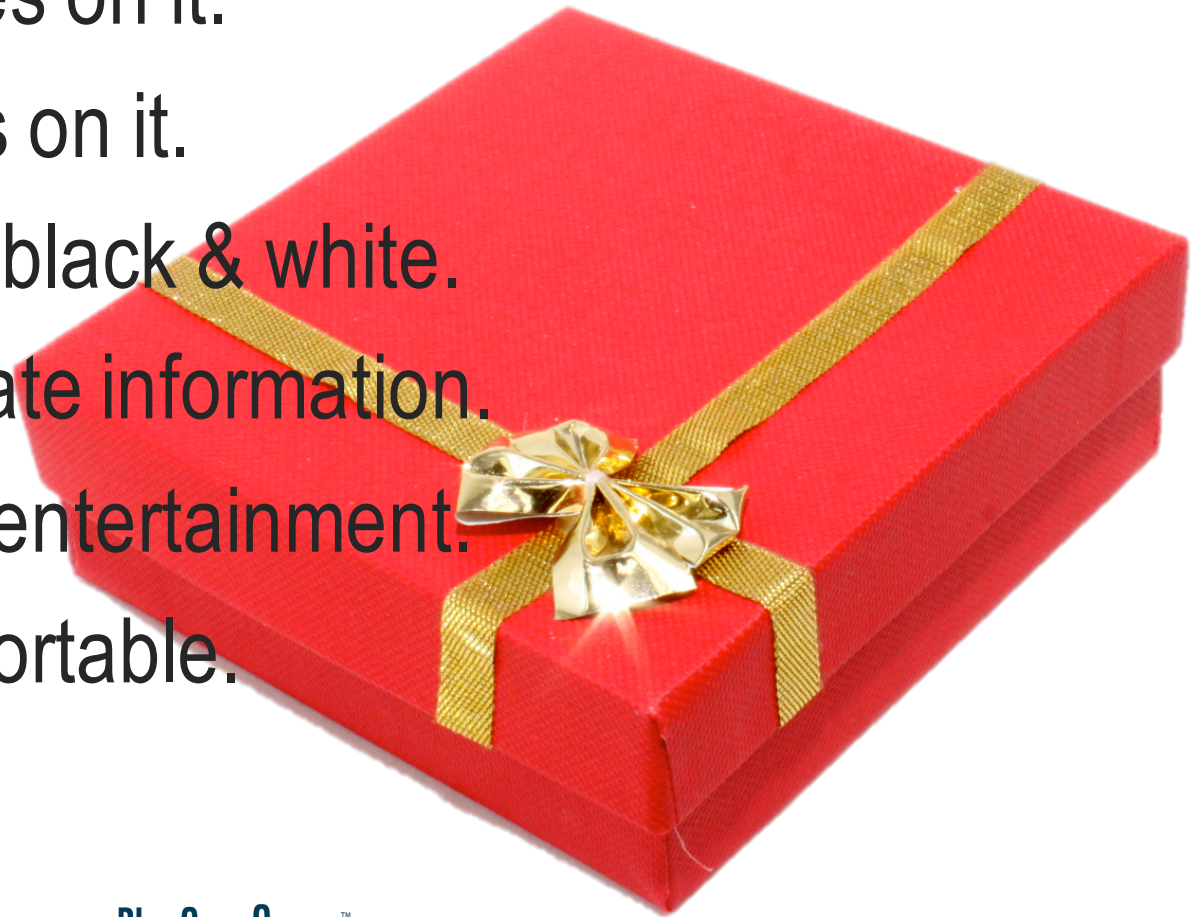
Hiring for Cultural Fit

Share your company culture at the end of the interview

Activity:

High-Stakes Auction

- You can play games on it.
- You can take notes on it.
- It works in color or black & white.
- It provides up-to-date information.
- It is often used for entertainment.
- It is lightweight – portable.



Interview Team

- HR Interview
- Hiring Manager Interview
- Panel Interviews
- Department Members Interview

Interview Styles

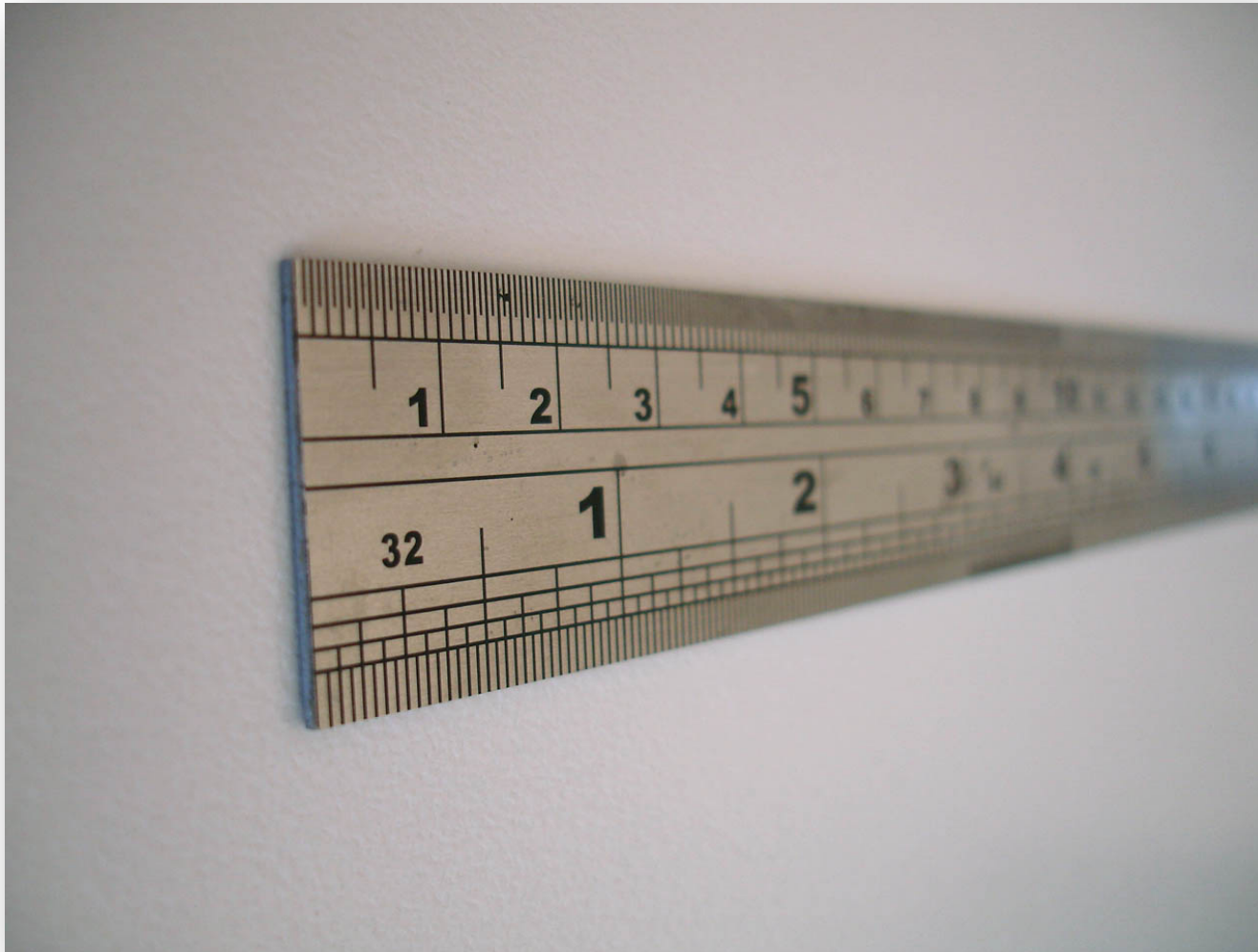
- Inbox Exercise
- Role Playing
- Secretary Test

Supplemental Interview Tools

■ Assessments

- Hogan
- DISC
- Rembrandt
- Forte
- Myers-Briggs
- Predictive Index (PI)
- ETC... ETC... ETC...

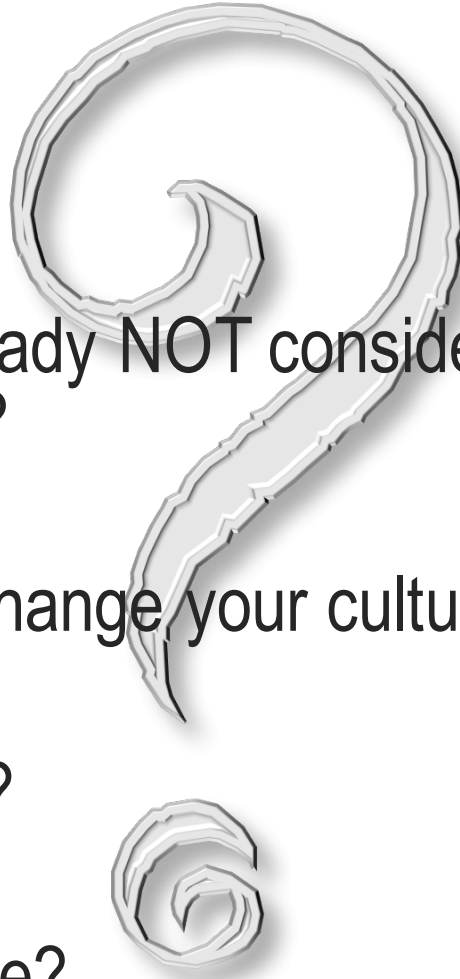
OBJECTIVELY MEASURE CANDIDATES



The Weighted - Comparative

DIRECTOR OF NURSING AND CLINICAL FACILITIES							
Characteristic/Skill	Importance	Realistic Benchmark	Candidate 1 (1-4)	Candidate 2 (1-4)	Candidate 3 (1-4)	Candidate 4 (1-4)	Candidate 5 (1-4)
Diplomatic							
Enthusiatic							
Positive							
Problem Solving							
Team Oriented							
Communicative							
P&L Analysis							
Leadership							
JCAHO Experience							
Compliance							
Survey Management							
Six Sigma							
HIPPA							
OSHA							

FAQs



- What if you have already NOT considered culture in a hire?
Can s/he be “saved”?
- What if you want to change your culture?
- Who sets the culture?
- Who keeps the culture?

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