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Making R&D work better

## Successful Growth Means Hiring for Skills Plus Cultural Fit

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**Many** small, growing companies find that, even though a new hire might have all the right technical skills and experience, he or she doesn't perform as well as expected, and may even cause confusion, mistakes, and delays in what used to be a smooth-running operation.

Adding employees, especially in core functions like product development, is often the first time a small company really notices "the culture issue." The underlying and largely unspoken assumptions that guide everyday operations and relationships are the tip of an iceberg that can threaten new employee contributions and, ultimately, your company's success.

### **A few words about "the culture issue" at small companies:**

Every organization has a culture. It may be subtle and disjointed; it may be strong and cohesive. An organization's culture can be observed in the way people behave toward each other and how they approach their work. For example, how does the group handle conflict? Whose word is readily believed, on the one hand, and, on the other hand, who has to painstakingly prove his case? Are "points" given for neatness?

When a small group, such as a start-up team, has worked closely – even intensely – together for a period, the members' shared assumptions about their work and environment are probably unarticulated and unconscious. Their assumptions and behavior patterns have emerged from their

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shared experience, often in response to great challenges. This helps them to "just know" when something is particularly important, how long a project will take, which customers should be listened to most carefully, and so forth.

Typically, the small group's capabilities can stretch as the company adds new customers and even new products. But at some point, more people are needed. Usually, new members are added to the group one at a time, and the company looks for people with the right job skills to fill the most immediate need. This could be another engineer or a junior technician, or it

could be the company's first ever marketer or financial manager.

All too often, the new member, even when equipped with all the right skills and motivations, can't quite get the hang of things. For example:

- She may be surprised by the loud controversy that takes place at a staff meeting and expect that the participants are enemies who will sabotage each other's work ... when in fact the shouting is a signal of true friendship at this company.
- He might not understand that an informal nod is all that is needed for him to get to work on a new design and may waste a lot of time waiting for "official" approval.
- She might not know which suppliers work on personal terms with the founders and which are more at arm's length ... or even that there are two kinds.

### **Overview**

Do you know a small, growing company – perhaps yours? – that has to fill the same key position over and over again?

One after another, a potential new hire's skills and experience look so good on paper, but his/her first few weeks on the job are very disappointing, and the company's whole operation seems to stumble and slow down.

The underlying cause could be "the culture issue."

These and similar mistakes and disruptions can make both the hiring company and the new employees think that they made a dreadful mistake and that the best course is to go their separate ways. But the problem and the underlying causes don't stop when the employee leaves. The company is likely to repeat the "hiring failure" scenario again and again, with negative effects on its performance, ability to grow, and reputation.

**Highlights: How to minimize the problem.**

*Socialization is just as important as effective hiring practices.*

First, the company's leaders (which could in fact be the whole start-up team) must become more deliberately conscious of its organizational culture. They need to identify what kinds of behavior and personalities work best at the company; and beyond that, they need to delve into why this is so.

They should also assess how the de facto "rules of the road" compare to the vision of the company. (This, of course, means either re-visiting – and perhaps revising – the existing vision or articulating it for the first time.) For example, if the company's vision includes significant growth, is the reward system encouraging its people to develop their professional and management skills? And are the formal and informal reward systems in alignment on this? A fresh look at the vision may indicate a need to consciously change the organization's culture to support behavior that is consistent with the vision. Or perhaps the vision should be re-thought.

Second, company hiring practices must be designed that will help interviewers identify new employees with a good cultural fit as well as the required technical skills. The best interviews will include questions that ask potential employees to describe critical incidents in their work lives, which will reveal crucial aspects of their motivational profile, communication and learning styles, tolerance for uncertainty, etc.

Socialization is just as important as effective hiring practices. In small companies, socialization is likely to be informal, intermittent, and individualistic. One or more "veterans" can help the new employee through the first three to six months, and this may involve some frank discussions of values and priorities as well as simply modeling every day what is effective behavior at the company. Finally, as the new employee becomes a full member of the organization, his or her feedback and reflections about the new-hire and socialization experience will be very valuable to help the company get better at growing.