Hiring for Culture: Exploring Small Business Selection Processes

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Project Overview:

“Culture eats strategy for breakfast”

74.5% of employees work in small businesses – leading job creation and innovation in key sectors.

Many founders say they “hire for culture.”

What does this mean & how are they selecting employees?

Hiring: How We Select

Small Business Case Studies

Context:

From 2014 - 2015, three Austin small companies’ hiring processes were studied from 2014-2015: Mission, M2M & FTE’s ranging from 10 – 60.

• 37 Interviews for 7 positions
• 62 Phone screenings
• 326 Resume screenings

Findings:

• 48% of small business owners interviewed engaged in a process of personality matching
• Some founders delegated group fit (and sometimes individual fit) to the team or person they would be working with.
• Some interviewers used the question, “why do you want to work here,” to test for philosophical matching to the mission of the company.

Culture: Several Views

Culture is

“A pattern of shared basic assumptions that the group learns as it solves its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.”

Edgar H. Schein

Schneider’s ASA Model

People are attracted to companies with employees who are similar to themselves in personality, values & interests.

Employees share systems performance expectations and agree on social norms.

Employees possess knowledge, skills, and abilities similar to existing members.

Corrected interviewers engaged in a process of personality matching

Low Interview Validity

How are founders interviewing and what traits predict success?

• The average number of unstructured interviews
• Job knowledge predicts performance (r= .48)
• Previous job experience predicts performance (r= .32)
• Conscientiousness (r= .22)
• Personable (r= .26)
• Self-efficacy (r= .38)

Recommendations:

Improve Decision Making

Use Interview Rubric

Determine key skills and attributes needed for the position:

• Develop a list of questions for skills and personality traits.
• Use a structured interview for skill discovery.
• Use an unstructured interview for personality discovery.
• Use a job test, testing the skills actually needed for the position.

Controller Criteria Notes Score

Skills
• Financial performance
• Can deliver results
• Can deliver results
• Can deliver results
• Can deliver results
• Can deliver results

Financial performance
• Budget responsibility
• Bookkeeping
• Financial management
• Controller criteria

Personality
• Extraordinary
• Professionalism
• Extraordinary
• Extraordinary
• Extraordinary
• Extraordinary

Total Score: 47/60

Further Information

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Literature Cited


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