Should you hire for culture fit?

Organisational culture (leadership styles, behaviours, values, and traditions) matters and 90% of employers indicate that identifying candidates with good culture fit is an important part of the selection process. However, culture fit has come increasingly under fire because it may add potential biases to the hiring process. **Paris Will** proposes a dynamic approach to value-based hiring practices.

If you ask enough organisations how they make hiring decisions, you will inevitably hear the sentiment of selecting employees based on culture fit. Culture fit is a ubiquitous strategy seen across the labour market; in fact, 90% of employers indicate that identifying candidates with good culture fit is an important part of the selection process (Robert Walters, n.d.). We know that culture matters to an organisation, and it is made up of the leadership styles, behaviours, values, and traditions of a workplace. But what does it mean to hire for culture fit?

Broadly speaking, employees are selected on the basis of how well they fit into an existing company culture. The theoretical definition of culture fit that is used for assessment purposes is the extent to which the values of an employee match the values of an organisation. Firms may assess culture fit through targeted interview questions such as "what type of work environment do you prefer to work in?". Alternatively, it may be assessed through psychometric questionnaires, in which employees are asked to self-report their core workplace values.

In a push to eradicate bias in hiring, many hiring strategies have come under fire, including culture fit. In order to critically assess culture fit as a hiring method, in this blog post I will explore how culture fit links to workplace outcomes, how it may be harmful for inclusion, and propose a more dynamic approach to value-based hiring practices.

The workplace outcomes of culture fit

With so many employers hiring for culture fit, there must be a perceived advantage of having employees who fit well with the company culture. Research on the topic has identified some beneficial outcomes. Meta-analytic results have shown that employees with higher levels of culture fit have greater job satisfaction, show more organisational citizenship behaviours, and are less likely to leave an organisation (Kristof-Brown, Zimmerman, & Johnson, 2005; Endrejat, 2021). Since job satisfaction also relates to job performance, employees with greater culture fit also perform better on the job (Farooqui & Nagendra, 2014). The research clearly indicates that employees who have a higher convergence of values with those of their organisation are benefitting from more positive workplace outcomes. As such, it appears that organisations are hiring for culture fit so that employees will perform better, be happier, and be less likely to leave.

What is less clear is *why* high culture fit employees are doing better in the workplace. A possible answer may lie in looking at culture fit through the lens of workplace diversity & inclusion.

Culture fit through an inclusion lens

The strategy of culture fit has faced criticism from an inclusion perspective. Intuitively, hiring employees which fit into the existing culture can perpetuate cognitive biases such as similarity bias, the preference for those who are similar to ourselves. If employees are hired based on similarity under the veil of "culture fit" this can provide a mechanism in which discrimination occurs to those who are different. In this instance, similarity bias can also explain why employees with higher levels of culture fit have more positive workplace outcomes as they will be given preferential treatment.

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This is exemplified through a study where culture fit was predicted by a linguistic similarity algorithm, in that the candidates were assessed with reference to how similar they spoke to the existing employees in the firm. This algorithm was able to predict which candidates would be hired, and candidates who were more linguistically similar to current employees had a 33-53% greater likelihood of being hired (Stein, 2018). This study raises alarms as linguistic similarity is a proxy for culture fit but also speaks to similarity bias and promotes a lack of diversity in the workplace.

A counter-argument to culture fit being detrimental for diversity and inclusion is that hiring for culture fit correctly will not result in a workforce lacking in diversity because the metric on which they are measured, *values*, do not differ between demographic groups. Let's assess this claim.

It is true that cross-culturally, there are more similarities than differences in terms of the values that are prioritised and the relative hierarchy of such values (Schwartz et al., 2012; Bilsky et al., 2011; Schwartz and Bardi, 2001). For example, in over 50 countries, benevolence is regarded as a top priority, and tradition and power are the least valued. Of course, individual differences in value priorities exist, but when assessed on scale most countries converge on similar core values.

However, there is a difference that emerges when looking at the behaviours associated with values. These behaviours are referred to as value instantiations, and when assessed cross-culturally, there is variation seen in the enactment of these behaviours (Maio, 2010, Hanel et al., 2018). Such research has shown that although there is cross-cultural consensus on the values that are prioritised, the behaviours that are associated with such values can differ. For example, Hanel et al. (2018) found that in a sample of British and Brazilian participants, Brazilians were more likely to match the behaviour of "saving water" to conserving the environment than the British participants.

It is possible that these findings can be relevant to a hiring context where culture fit is being assessed. Let's take the example of the value of success. There may be two candidates who equally value success, but associate different behaviours with it. For some candidates, success may be emphasised through actions that lead to their individual success in a company, whereas other candidates may associate with behaviours that lead to success for the company as a whole. These types of distinctions have been shown between employees in individualistic and collectivist cultures (Chen, Chen, & Meindl, 1998). The behaviours related to our workplace values can differ between groups of people.

This is a problem when behavioural clues are used in the assessment of culture fit. Values may be incorrectly assessed based on interview questions that probe our value-related behaviours. Furthermore, preference may be given to employees who show the same behaviours associated with the cultural values of an organisation. In these instances, we should be cautious of how we are conflating culture fit with similarity.

Caution for culture fit

If an organisation hires for culture fit, it is recommended that they steer clear of similarity bias, and try to measure culture fit through psychometrics looking at the core values rather than interview questions which might conflate values with behaviours. It is easy for organisations to measure this in their hiring process. They can evaluate for themselves if the candidates rated as having higher culture fit are also similar on certain demographic variables. If this is the case, you should re-assess how your approach may be favouring certain groups.

In assessing the strategy of hiring for culture fit, aside from the inclusivity problem it may pose, we must also consider how aligning employees on shared values may put the organisation at a disadvantage. For example, should a data scientist share the same values as a marketing director? Take the values of knowledge, honesty, and communication. Holding the value of knowledge may be more beneficial for the data scientist, and communication may be more beneficial for the marketing director, while honesty may be equally valuable for both. If hiring for culture fit, organisations should break down core workplace values into those that matter for all roles, and those that may be more specific to certain roles. The way employees hold values for their performance may be more nuanced than having a culture fit with an organisation.

Moving to a dynamic view of culture

Any workplace that is agile and has change goals will not want to rely on a static culture, since adapting their culture can help them reach goals. Culture change itself has been shown to be associated with enhanced innovation performance (Kostis, Kafka, & Petrakis, 2018). This makes sense given that innovation is fostered by novelty. Take the pandemic as an example. The onset of remote working has certainly changed the value of flexibility in the workplace. Where it used to be thought of as a luxury, flexibility is now a deal-breaker for many employees. Organisations who do not adapt to flexible working practices may lose out on key talent.

If organisations want a dynamic culture that adapts to labour market changes, why would we hire employees based on the static organisation values at a given time? A better approach may be to hire employees in line with the direction in which a company wants to move, embracing new and diverging values to the status-quo.

This approach has been coined as culture add (Forbes, 2021), and proposed to be a replacement for outdated culture fit practices. This concept proposes that you first identify the gaps in your culture in terms of where the organisation is and where it wants to be. Then, talent acquisition processes emphasise selection of employees who fill these gaps. The crux of this method is that the shifting needs of an organisation allow for greater diversity of candidates to enter its workforce. However, if this method is utilised, it is crucial to follow through once candidates are hired. This means cultivating an inclusive culture where differences in values are embraced and individuals are not penalised for being different.

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