



## CULTURAL DUE DILIGENCE

Contemplating a career change? Culture is the key to finding a great workplace

BY GRAHAM LOWE



Canada's labour market is the hottest in a generation. HR professionals are talking about "extreme recruiting," and executive-search consultants have never had it so good. Growing numbers of experienced managers and professionals are being lured to new employers with perks and promises unheard of in the 1990s. In many organizations, at least half the senior managers are approaching retirement age, and there is neither the bench strength nor a robust

succession plan to address the exodus. Expect the quest for new talent to intensify.

So you may soon face that most existential of working-life questions: Is this job opportunity that just landed in my lap the best chance I'll have to re-energize my career? Before you jump, though, be as sure as possible that you'll wind up in a truly great workplace, where you'll be able to realize your career aspirations.

Above all, you'll want to conduct due diligence on a prospective new employer, digging deeper than the predictable interview discussions about how you're ready for the new challenges and responsibilities on offer. Culture is the clincher in whether you'll be moving into an environment that fully supports your career aspirations. Just as recruiters focus increasingly on "culture fit," you need a personal framework for assessing the culture that will shape your daily work experience.

Viewing a prospective new employer through the lens of the Great Place to Work Institute's (GPTW) model of a high-trust culture can reduce the risks of a career move. It is a helpful due-diligence tool for anyone exploring a potential job offer. The Institute's five pillars of trust—credible management practices, respectful relations between managers and employees, fair treatment and processes, pride and a sense of camaraderie—have proved to be an accurate predictor of great workplaces in 30 countries.

The Institute's research suggests that differences in corporate culture can be greater than the range of compensation and benefits offered for top jobs. Factoring in culture gives new meaning to the term "total rewards," which usually encompasses the tangibles of pay, benefits and perks. Equally important are the intangible rewards—for example, a sense of personal accomplishment, being challenged to develop your abilities, feeling connected with your team and knowing your contributions are truly valued and depend on relationships of mutual trust.

As Ram Charan emphasizes in his new book, *Know-How: The 8 Skills that Separate People Who Perform from Those Who Don't*, when businesses recruit executives, due diligence demands an approach that gets "to the truth of the person." Just as critical, then, is for the prospective recruit to get to the truth of the company. The only clear path to that is through an organization's culture.

Corporate recruiters search for solid evidence of performance in the reputed high-performers they are interviewing for top jobs. So as that reputed new high performer, you also need to probe for concrete evidence that the claims made about the company's culture are reflected in its daily practices. That will help you see through "employer of choice" branding to determine if it is real.

Pay careful attention to how the executive team talks about the organization's culture and their role in sustaining it. For starters, do they even talk about this? Look for what is unique about a company through the eyes of its employees. That defines its

cultural DNA, something no competitor can clone. In great workplaces, senior managers are storytellers, helping employees feel a common bond through their contributions to something special.

Take credibility, one of the pillars of workplace trust. Credibility reflects how openly managers communicate, their competence in co-ordinating people to strive for the corporate vision and the integrity of their daily actions. For example, employees must be confident that managers run the business ethically. Good predictors of future ethical practices are the values that guided past decisions.

Ethical standards and codes of conduct are displayed on most corporate websites these days. So you need to find out how rooted these standards are in everyday practices by asking questions such as: *What are the guideposts that the executive team uses in a difficult situation? And what is a recent difficult situation that tested these values?* Environics Communications illustrates the point. The marketing and communications firm has actually turned down new business that is inconsistent with its strong ethical standards—no matter how much the opportunity may have been worth.

Trust assures personal and collective responsibility for actions. How corporate leaders value employees and their contributions is an enabler of respect—another pillar of a high-trust workplace. Many great workplaces have a company philosophy built around respect for employees' contributions as a driver of performance. For example, Coastal Pacific Xpress (CPX) distinguishes itself in the trucking industry by its employee-first philosophy, which rests on the basic principle of treating its drivers with respect. Evidence of this philosophy can be found in stories about customers who were "fired" (as CPX puts it) by employees because they were disrespectful and abusive toward staff.

Respect is also practised by supporting employees to fully develop their skills and potential. Learning and development programs are common now, so look for signs that the learning process is incorporated into people's jobs—the hallmark of a learning organization. For example, Google (No. 1 on the GPTW 2007 list of best companies to work for in the United States, published by *Fortune* magazine in January) has spectacular benefits, such as 11 free gourmet cafeterias at its headquarters. But the company's efforts to nurture employees extend far beyond such perks. All Google engineers spend 20% of their time cooking up new ideas that will benefit the company, which takes them outside their job and into other areas of the business.

Having multiple channels for employee communication also contributes to strong cultures with high trust. Look for how openly corporate plans and information are shared, and the types of ongoing opportunities for employees to have input and contribute to improving the work environment. Ironically, too many organizations these days conduct engagement surveys without then engaging employees to act on the results to make workplace improvements. If the company you're checking out surveys its

### **JOB SEEKERS SHOULD KEEP SEVERAL THINGS IN MIND WHEN TRYING TO SEPARATE GOOD WORKPLACES FROM BAD**

## **CORPORATE CULTURE DUE DILIGENCE CHECKLIST**

**BASED ON THE GREAT PLACE TO WORK INSTITUTE'S FIVE PILLARS OF TRUST, the following questions can provide anyone looking for that next big career opportunity with a culture checklist. Discuss these questions with your executive recruiter, if you are using one. Raise them in interviews with the executive team and in discussions with managers and front-line employees. Don't jump ship if the answers are not totally genuine and convincing.**

### **CREDIBILITY**

- What are the core values that guide executive decision-making, and how are managers held accountable for living the values?
- What do the values and vision say about employees' contributions to business success?

### **RESPECT**

- How are employees' contributions recognized, developed and encouraged?
- Do workers have a voice? Does the climate allow employees to speak openly about mistakes and learn from them?

### **FAIRNESS**

- What commitment do executives make, and what concrete actions has the company taken, to foster a work environment free of discrimination and favouritism?
- How equitable and balanced is the distribution of perks, recognition, rewards and training opportunities at the organization?

### **PRIDE**


- What is the basis of the company's reputation as an employer, and how does this play out for employees? Do its claims about being a top employer have substance in the eyes of employees?
- Do employees express genuine pride in their job and the company?

### **CAMARADERIE**

- How are new employees at any level welcomed and made to feel part of the workplace community?
- Do employees, from the front lines to the executive suite, actually enjoy their co-workers and have fun at work?

employees, be sure to find out how results are actually used to make the workplace better.

Organizations on GPTW best workplaces lists demonstrate an impressive array of leading practices in this regard, ranging from town hall meetings, video conferences with the CEO, question-and-answer sessions with the executive team, focus groups, confidential feedback systems and all sorts of creative employee-suggestion methods. Back in Motion Rehab, for example, runs a transparent open-book business in which all employees know the financial picture—even though it is a private company. Ernst & Young conducts an annual employee survey and mobilizes working groups to make improvements based on the results. Online Business Systems not only surveys its employee but also conducts "stay" interviews—a twist on exit interviews—to find how to improve.

Personally, you may conclude that the time has never been better to expand your career horizons. Be sure to follow cultural signals as you go down this path. But if you are content where you are, maybe it's time for a cultural checkup using the suggestions above. That is something any employee can do. If you are a manager, be prepared to put your results on the table for discussion. Try to imagine how the next prospective recruit is checking out your company. You better have authentic answers to those probing questions about your culture if you want to remain competitive. 

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