

# In Today's Booming Economy, Is Your Company's Culture **HELPING** or **HURTING YOU?**

BY JEFFREY DUNN

On the morning of August 27, 2018, I looked up the U.S. unemployment rate. According to the United States Department of Labor, the rate for July 2018 was 3.9%, down from 4% in June.

The numbers for April and May of this year were 3.9% and 3.8%, respectively.

These rates mean that essentially everyone who wants a job has a job, and employers have to dig to find and successfully recruit topnotch employees. This is good news for employees, but bad news for employers—especially employers who want to grow their workforces to meet the demands of a rapidly expanding national economy.

It's a job seeker's market. And the job seekers of today are different in many ways from those of the past. It's no secret that Millennials are the largest generation in the labor force. Gen X is close behind. With a combined total of just more than 110 million in the workforce today, these two demographic groups dwarf the rapidly shrinking Baby Boom generation, which currently accounts for 40 million workers. That 70 million worker gap will continue to expand as more Boomers retire each day.

## **WHO ARE THESE EMPLOYEES?**

With the demographic morphing of the workplace, the

workers of today bring career expectations, values, and priorities that are far different from those of the generations they are replacing. For most, those priorities directly tie to corporate culture. Countless studies and our company's own experiences have identified several key differences between generations in the workplace:

- Baby Boomers are viewed as far more reserved in their communications, while Millennials strongly favor collaborative and in-person interactions.
- Millennials relate far better to a coaching style of management than a traditional authoritative or top-down management style.
- Gen X'ers and Millennials tend to hold the view that change brings opportunity and don't view it as a threat to stability.
- Gen X'ers and Millennials are more fulfilled when working as part of a team (even if an individual is a member of several different teams working on various projects) than working solo on repetitive-type tasks, whereas Baby Boomers take the view that "it's part of the job."



- Gen X'ers and Millennials have a need to see their individual or team work in the full context of the organization's goals. Boomers and members of the Silent Generation (there are still some in the workplace) tend to be comfortable knowing their role, understanding their task, and executing it with little question.
- The younger generations value the idea of doing work that is meaningful or having a positive impact on the community. This doesn't mean Boomers have no interest in community service; it just means they tend to separate work and community involvement.
- Gen X'ers and especially Millennials strongly prefer to be valued as people first and employees second. They expect their efforts and expertise to be appreciated by their managers and/or employers.
- While Boomers often have the expectation they will remain with an employer for decades, Gen X'ers and Millennials have no such expectation and are comfortable with shifting employers for more fulfilling work.
- The younger generations are more comfortable with adapting not only to new employers but also to shifts in job tasks.

In short, significantly more than half of today's workforce has specific, high expectations of their employers/workplace culture, need to be valued and appreciated, and are absolutely comfortable with changing employers or careers if their expectations aren't met.

In an economy with an unemployment rate below 4%, organizations that appreciate these needs land and retain top employees and often have their pick of excellent applicants, while those that don't can have tremendous problems with recruiting. And with readily available tools such as Glassdoor and LinkedIn, job seekers can—and do—find out in seconds everything they need to know about a company's culture. And don't forget, your clients and prospective clients are also looking at your culture.

We have seen an increasing trend where prospective applicants are interviewing our law firm about its culture. Some of the questions we have seen are:

- "How would you describe your company's culture?"
- "How is collaboration fostered, and how often will I receive feedback on my work?"
- "What are your company's core values?"
- "How does your company reinforce its culture and core values?"
- "What steps does your company take to ensure the contributions of all employees are valued?"
- "Does your company believe in diversity of career paths? Will I be encouraged to shape my career in a way that is beneficial to the company and to me?"

We're not interviewing the top talent. They're interviewing us.

“Study after study shows that Gen X’ers don’t oppose hard work, but they believe in having the flexibility to manage their work and their lives in the ways that work best for them, while not hurting the organization.”



The following will help prepare you for when a top applicant asks you these questions.

## LOOK IN THE MIRROR

Given the rapidly changing demographics of today’s workforce and the highly competitive nature of both the U.S. economy and the world economy, organizations that value hiring top employees have no choice but to do a thorough, honest self-assessment of their culture and determine if this culture is helping or hurting their recruiting efforts.

My law firm did precisely that five years ago. We found we had some core strengths—strengths that had brought us a great measure of success. We had an excellent focus on client service. We had a large number of exceptionally talented lawyers who achieved outstanding results for our clients. Our staff featured a high proportion of dedicated, experienced, and skilled professionals who supported our lawyers extremely well. We were a very good law firm.

But were we a great place to work? The more we talked to people, the more we looked in the mirror, the more we listened, the more we realized we had room for improvement. Stress was high. Lawyers too often put undue stress and unreasonable expectations on staff. Younger lawyers often felt that the more senior lawyers were not respectful. The list goes on. These behaviors led to job dissatisfaction and attrition. We recognized that we had room for improvement, especially considering our commitment to growing the firm significantly and our recognition of the fact that the expectations of younger workers—and those of our clients—were changing.

We asked nearly every member of the firm a series of questions, and the answers to those questions helped us see not where we needed to improve, but that we needed to improve. Does your organization need to improve? Ask yourself the following questions, and you’ll likely have a better idea of whether your culture needs an upgrade.

**Approximately what percentage of your company’s workforce leaves in a given year?** Check your employee turnover percentages from year to year; if they’re rising, you may well have a culture problem. When people leave, what are they saying? Perhaps more notably, what are they not saying?

**How often does your CEO or do members of senior management meet with your rank-and-file employees?**

Gen X’ers and Millennials derive great satisfaction from being heard by senior management.

**Does your company perform 360° evaluations on all members, including senior management?** 360° evaluations foster an egalitarian element of an organization’s culture, an element that younger workers often value greatly because it makes them feel valued by leadership.

**How often do members of your company, from entry-level employees to senior leadership, discuss your culture?**

Can all of your members state your company’s core values and provide examples that give life to those values? Daily communication about your company’s values and culture is imperative for weaving those values into a company-wide identity.

**How often do your company’s leaders talk about work-life balance?** Have they enacted policies that increase work-life balance and flexibility? Study after study shows that Gen X’ers and Millennials value work-life balance. They don’t oppose hard work, but they believe in having the flexibility to manage their work and their lives in the ways that work best for them, while not hurting the organization.

**Does your company have a large number of managers, but few leaders?** If your organization doesn’t understand the difference between a manager and a leader, trouble awaits.

**Do those leaders know the names, personalities, and aspirations of each of their direct reports?** Authentically caring about your people and desiring to know them

and foster their development are essential to employee engagement.

**Do your leaders have temper control issues?** Explosions of temper by leaders irreparably harm your culture.

**Do your company's leaders and rank-and-file employees interact informally?** For example, do they have conversations in the hallways and sit at the same table at company events? Informal interaction leads to more honest and productive on-the-job interaction. And effective on-the-job communication gives senior leaders insights they never could attain otherwise.

**Is there a mass exodus of employees heading to the parking garage at precisely 5 pm?** Nothing says "I'm glad to get out of that place" quite like a 5 pm traffic jam in the parking garage.

**Do employees regularly miss company events or celebrations because they are "too busy"?** This is a sign that employees want as little to do with the organization and its leaders as possible.

**Do your employees refer friends, former colleagues, acquaintances, and others to apply for positions within your organization?** People who love their jobs will become your best recruiters for talent.

**Do your employees fear taking risks, and are they reluctant to strive for innovative solutions to problems?** This is a sure sign your organization doesn't appreciate innovation—a true company killer. Your people need to know you have their backs when times are tough.

**Does senior management seem genuinely surprised when top performers leave the organization?** If so, your leadership is out of touch and could be the source of your culture problem.

**Does senior management fail to address ongoing problems?** Are the same issues being brought to senior management over and over again? Obviously, issues viewed as chronic and never addressed by senior management lead employees to deduce management doesn't care about them.

**Do people in the organization feel comfortable reporting inappropriate behavior?** The tolerance of bad behavior will manifest itself in high turnover, difficulty in hiring, a bad reputation with clients, and lawsuits. It's also inexcusable in the #MeToo era.

**Does the company provide training regarding cultural aspects of the organization?** This is central to all employees not just feeling, but understanding, that they are valued. A winning organization draws talent from all potential sources, and part of that philosophy is making employees of all backgrounds feel understood and welcomed.

**Do all members know the company's core values?** Every new member's first day at our firm begins with a program

we call "Day 1, Hour 1," in which the CEO meets with the new employee to discuss the firm's culture and core values.

**Do your employees say, "That's not my job"?** This attitude can be evidence that employees either never "tuned in" to their organization or have become frustrated and have psychologically "bailed out."

**Do employees voluntarily help others without being told to do so?** The exact converse of the previous question, employees who take the initiative to help co-workers show they understand the big-picture mission, value the success of the entire organization, and have empathy for co-workers, all signs of a positive culture.

## WHAT IT ALL MEANS

More than a few wrong answers to the questions above mean your business or organization has problems that may need to be addressed sooner than later. Negativity, once rooted in a culture, tends to grow much more quickly than does positivity. At my firm, we developed a top-to-bottom culture initiative built on the foundation of 10 core values. Those values weren't buried in our website and then printed on one plaque in one conference room. Instead, every desk in the firm features a small sign with our firm's values. The values are an integral part of our recruiting process; candidates who won't "fit" aren't hired. We have a values committee that solicits "Values Champion" nominees and evaluates which members of the firm best live our values, then holds events recognizing those top performers. And adherence to our values is part of every member's annual 360° evaluation and is a part of compensation. And yes, members—at any level—who don't demonstrate our firm's values may be negatively impacted in their compensation.

Five years after developing this initiative, we have completely changed our culture and our firm has prospered. We have nearly doubled in size, in both headcount and revenue. And this spring we were a finalist for a "Best Places to Work" award, an award that we'd never even considered pursuing.

Are we finished? Not even close. When it comes to developing a continuing, positive culture, the work is never done. You must always seek to improve. You must honor great behavior daily. You must fiercely defend your culture at all costs—even if that means asking talented but poorly behaving members to leave. Your employees are watching. An entire generation of future employees are as well. And it is one of the first questions they will ask when they interview you. <sup>AQ</sup>

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