

Five Ways To Hire And Retain Good People At Start-ups

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a good team is essential at start-ups when they start scaling up their business once the volume of work starts increasing. Finding the right person is difficult for even bigger companies, but for start-ups it's an especially uphill task. A lot of time and energy is often spent by founding members

in identifying a bunch of potential candidates, talking to the ones short-listed, selecting the right ones and then finally, motivating them to join. This is just one part of the story; the other (bigger) one is to retain these people for a long period. There are certain issues that make the whole recruitment and retention process quite problematic. Among these are:



1 **A lack of the right sources to identify candidates**

 An illustration of a black microscope on a stand, positioned over a group of five stylized human figures. The background is a mix of purple and blue clouds.

Most start-ups do not have any formal channel to identify the right candidates. Some of them try to get candidates from networking events while others try through some referrals, as the cost of buying a database and then trying to identify the right candidates is considered prohibitive. This considerably slows down the hiring process.

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Compensation and other benefits

Start-ups typically do not want to overspend and hence evaluate each and every financial decision cautiously. While defining salary and its structure, they take all measures to minimise the cash outflow. A lot of people do not appreciate stock options that start-ups offer to attract and retain people.



3

The attitude of founding members

Start-ups typically are started by a group of people who are passionate and have a higher appetite for risks. Sometimes, their passion borders on obsession and they believe that they hold all the rights to handle each and every decision, big or small. As a result, they sometimes fail to realise that a person joining a start-up needs to start believing in the same vision and should be suitably placed and rewarded.



4

Inappropriate projection of company's image

In some cases, founders paint a rosy picture to prospective employees, while steering clear of potential problems. This kind of misrepresentation leads to employee dissatisfaction at a later stage.



5

'The next one could be the best one' syndrome


Sometimes people do not want to stop their search and keep on evaluating new people all the time. They think there is always a chance of finding a better person, little realising that they are losing time waiting for the 'perfect person' (who might not even exist).



Handling all these issues is not easy for any start-up. There are a number of limiting factors, restraining them from tackling these issues. In my opinion, the five best ways to hire and retain good people at start-ups are:

1 Formulate a structured candidate identification process


Ad hoc methods of finding the right candidates may not yield the desired results. A few structured ways of candidate identification are:



- Visiting colleges in nearby areas to get entry-level people. Establish a good relationship with a few colleges to acquire a good talent pool.
- Share HR databases among a group of three to four companies. This would lower the recruitment cost significantly. Typically, a start-up doesn't require a large number of people at short notice. In some cases, a candidate not compatible for one vacancy may be well suited for some other one.

2 Better compensation offers and ESOPs (employee stock option plan)


Start-ups should give the



best offer to candidates to keep them interested in the company. An employee stock option trust should be formed in the very beginning, and stock options for employees should be worked out and communicated to them beforehand. The financial value and projections should also be highlighted to the concerned people. In case of initial stage start-ups, such offers hold very high value and should be leveraged appropriately.


3 Creative freedom

In terms of responsibilities, new entrants should be given enough freedom to plan and execute. Creative freedom is the key as far as hiring and retention is concerned.



4 Project a balanced image


When talking to potential employees, one should always portray a balanced image of the company. On



the one hand are freedom, responsibilities and growth, while on the other are lower brand value and money. Setting the right expectations at the initial stage would help start-ups retain employees in the long run.

5 Come out of the 'next one could be the best one' mindset

One can search for the right person forever and not make any progress. The company should make an offer to a



candidate as soon as it finds someone fulfilling a good number of variables laid down for the job. Some of the missing variables can be developed over a period of time.