



Top 10 HR Myths of Start-ups busted

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More often than not, the HR function comes as the last priority for Start-ups, while building their business. Mistakenly, HR is considered a luxury that only big organizations can afford. More than merely a function, an HR mindset that encourages the best out of the team is required in an emerging company, irrespective of the size. We look at the 10 most commonly held myths related to HR that are prevalent in Start-ups and ways to bust them.

On hiring

Myth #1: I can't compete with large corporate to attract talented manpower.

Busted: Your competition for talent is not with large corporate, it's with other Start-ups. The talent market has undergone a sea change in terms of expectations from the employer. You need to attract people who crave exciting work and have an appetite for risk. Look for your differentiating characteristics that will attract people. People looking for stability and security of a large company will be complete misfits and better avoided.

Myth #2: I can't be choosy about whom to hire

Busted: Pay attention to your hiring process. Remember, you do not want employees that mirror your personality. Build a team with the right mix that mirrors the diversity of your customer base. Avoid friends and relatives as employees. Hire people for their motivation, initiative and a belief in the company.

Inspiring Performance

Myth #3: Employees are motivated to perform for monetary gains

Busted: Competent people join start ups because it is the next best thing to starting on their own. They seek inclusion in your plans and problem solving. Build a shared vision, communicate your plans, and inform good as well as bad news.



Myth #4: My Company is too small to have any formal policies.

Busted: The only way to grow without falling apart is to build processes. Whatever your size, think big. Define roles, create performance measures, build discipline for processes, adhere to formal policies and create a professional work environment. Learn the fundamentals of quality and deploy well thought out processes for people related areas.

Admiring Contribution

Myth #5: Employee Stock Options (ESOP) plan is needed to retain talent

Busted: ESOPs work well in good times. Hire a professional to create your compensation and benefits strategy in line with your business goals. Have your very own compensation philosophy to guide all salary increment and variable pay decisions. Disparities in compensation can cause a lot of heartburn. Work hard to be perceived as fair by your team.

Myth #6: If I invest on her training, the employee will easily get another job

Busted: What if you don't train and the employee stays with you? Start up is a place for accelerated learning. This is why people join you. Retain that character.

Managing employee exits

Myth #7: I gave the employee respect, trust and responsibility. She is betraying the company by leaving.

Busted: A separating employee is your ambassador to the world. Never underestimate word of mouth. Treat exiting employee with the same respect and manage the exit professionally. Employee attrition is not a failure, it is an opportunity to learn about you as an employer and improve.

Myth #8: We are a small team; even a single employee leaving has a huge impact

Busted: Ring fence critical talent through a Variable Pay plan. But remember that no one can be indispensable. If you don't have resources to carry extra hands, build processes to ensure business continuity

A couple more



Myth #9: HR can be addressed once we are doing well.

Busted: HR matters enormously in good times, but it also defines you in bad times. People always remember how they were treated when the company went through a bad patch. Give them a memory to cherish.

Myth #10: I am building a business not charity

Busted: You are building an organization. When your business plan is created and your vision articulated, it boils down to people to make it happen.

Learn primary principles of good people management and create basic guidelines to shape work behavior of your team. This can contribute immensely to a foundation that you create. Make people management philosophy, a part of your vision. As I said earlier, create an HR mindset, the department can come later.

About the author

Protima Sharma is Managing Partner at PeopleWiz Consulting. She has notched up 12 years of valuable industry experience in Thermax, Citigroup, Tata Consultancy Services (TCS) as OD & Change Management consultant.