

Are startups hiring right?

NOT JUST GUT FEEL Startup companies in India need to put in place innovative as well as tried and tested hiring policies if they want to attract and retain talent

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What if you apply for the post of an operations executive in a startup company and, during an interview for the job, are asked questions straight from the Common Admission Test (CAT), a test conducted by Indian Institutes of Management (IIMs) to admit management aspirants? Aren't the best operations executives working in well-established companies then in some cases likely to fail this test? The answer is yes, as the incident above actually happened and is part of bizarre hiring processes which have been put in place in some of India's startups.

Well-thought-out recruitment processes are not being followed in many startups, say human resource (HR) professionals who are either recruiting for such companies or mentoring their employees. In most cases such faulty processes are leading to mass lay-offs.

"The main fault on the part of the founders of these startups is to think that each individual would be an expert in everything. In the absence of adequate manpower, they tend to assign specialised functions even to non-specialised people. As you know multi-skilling is certainly good but it cannot be applied unitarily," says Kamal Singh, director

WHAT NEEDS TO BE DONE: A FEW POINTERS FOR STARTUPS

- Define what you need in clear measurable terms, no Greek or touchy feely statements
- Choose an HR partner (sourcing company/firm) which has specialisation in the related industry and has executed business around the domain
- Use the right tool and techniques to find employees who fit the bill and fit your job roles
- Do not go for shortcuts as they can mess up your business
- Treat the candidate the way you would like to be treated
- Know how to hire right, treat right and fire right

general, National HRD Network, an HR management forum.

Interestingly, an entrepreneur who runs a fashion website confesses that while hiring employees for his startup, he prefers individuals chiefly on the basis of their looks and pleasing personalities. "I thought that such people would be able to perform any role and deliver, but my perception was wrong when the employees selected for their looks were unable to deliver on the productivity and business parameters," he says.

Jappreet Sethi, an HR consultant who hires professionals for startup companies, is of the view that most of the startups use in-house aptitude tests, which mostly are not designed for testing people at work.

"The startup founders are

very diligent when it comes to hiring the first few employees, who come from the friend and family pool. As soon as the time to hire employee number eleven comes, the cracks start showing. As work is not structured or defined they tend to start hiring people on the basis of gut feel. Since there are no written roles or key tasks for prospective employees, they make a 'judgement call' without having hard data to support the call. The interview questions are flimsy and first-time founders, most of the time, don't even know if they are making a mistake. During hiring, it is best for gut feel to remain in the gut," he says.

HR expert Sanjay Kapoor, who besides running an HR consultancy firm - IRIS-Corp, mentors employees of startup companies,



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says companies does not want to appoint specialist sourcing consulting firms because they don't want to pay a handsome fees and deal with questions which they don't want to answer. They might be asked to share business, growth and revenue plans, current and future funding sources and finally candidates' roles and

career paths etc. "Often, candidates asking for such details are told (by the organisations) that when angel investors have not sought such details why should the candidates require the information," Kapoor adds.

Analysing the reasons why startups might not want to follow basic HR norms, Kuldeep

Singh, an HR consultant and former head of performance management system at Infosys, says that the priority of any startup is to get the product/service going and find the customers for the product/service. So the entire energy of the company is focused on these aspects. Acquisition of talent is not in the startup business equation and hence getting the right talent is not the priority. Somebody having technical skills and some experience that fits with startup needs is priority."

"I think initial success and acceptance of the startup think tank's product/services by the seed investor makes them confident which ultimately makes them over-confident. They simply undermine the role of an HR and take HR principles for granted," says Kapoor.