How to avoid the common mistakes startups make when hiring

Are you an entrepreneur? Maddyness has compiled a toolkit to help you create, grow, and even sell your own startup. From recruiting a team and protecting your brand to financing your innovation, you will find tips, tools and advice to help you navigate the entrepreneurship labyrinth. In this article: some recommendations for recruiting your dream team.

Temps de lecture : minute

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Imagine the following scenario. After months or even years of hard work, your startup, a passion project that you've put all of your time and effort into, has attracted interest and maybe even gained funding. To get it to the next level, you can't keep doing everything by yourself. It's time for you to grow your team and delegate responsibilities. The problem is, that while you've come up with this great idea for the startup and built it from the ground up, you know nothing about hiring the right people to help you develop it.

"If you hire the wrong person - dealing with that can be much more painful in the long term, and that person can potentially be toxic for your company", Hessie Coleman, the founder of Xethe and an HR consultant explains. If we want to quantify the losses from such a mistake, a report from REC in partnership with Indeed claims that a wrong hire may cost businesses in the UK as much as £132k.

This number may sound unbelievable, however, you have to take into

account that it includes the costs of a wasted salary, training, staff turnover and loss of productivity due to hiring the wrong person. Even if we only look at the price of the recruiting, which was wasted during this process, it still amounts to almost £10k according to the report. These numbers can be catastrophic for startups that have barely managed to get going. So how can you, a startup founder (or member) ensure you make as few hiring mistakes as possible? This is what HR experts have to say.

Slow and steady wins the race

"(It's best to) hire the right person rather than getting someone in immediately", is Coleman's number one advice. A lot of times, especially in the early stages of a startup, there is pressure to hire fast. "The risk is that you bring someone in because you desperately need help today, and then you accidentally lower your standards", Coleman clarifies.

This advice does not only refer to settling for the first candidate that comes through your door but also reflects the speed of the recruiting process. You should take your time looking through CVs, testing the candidates' skills, interviewing them and considering their fit. All of this is not just to make sure you don't hire the wrong person, but also to make sure you don't miss out of the hidden treasures.

Don't dance around your goals

"If you go look at a job description, many people will write about themselves that they are fast-growing, or looking to change the market", says Nick Mortimer, a tech recruiter who works with multiple startups through Troi. "But they don't get to the point of what the business does". Being vague in the job description is a sure way to attract people who are unclear about their career path and about what they want to achieve. It's also a good way to attract those who think they are applying to one job

and end up working at something they didn't sign up to - and quit.

In the same line of thinking, Mortimer suggests that startups should be "clear on what they are looking to achieve by making that hire". For instance, if you are looking to hire an engineer, you should understand the need and goal of bringing that person into your company. "Are you looking to build an MVP? Are you looking to build a new product? Are you looking to achieve new functionality in a product?" Mortimer asks. "Once you understand what the end result is, it will help narrow down the search for the right person".

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"It's important to get somebody in who can work well in your

environment. However, there's a risk in how you define your culture", Coleman warns. "If it's too narrow, that person very easily be like somebody that you already have in your business, which can then end up homogeneous by accident". In other words, you shouldn't hire someone just because you have a good connection with them, and would like to hang out with them after work. This is a trap that startups, especially in the early stages, can easily fall into.

"I like to talk about 'culture add', versus 'culture fit'", Coleman clarifies. "Making sure that people coming in are bringing something into the business, that we don't already have". The benefits of diversity are vast, and cannot be contained in one paragraph. They include increased creativity, higher innovation and even higher profits, as this McKinsey & Company research suggests - all confirming this point.

And when talking about diversity, it's not just a matter of ethnicity and gender, but also education, socio-economic background, disabilities and age. There is a tendency to believe that the startup industry is reserved for the younger generation when a lot of times, older employees can offer up a unique perspective.

Value your employees, as you would your company

"I have an example where the candidate went through an interview and did pretty well, and asked for 70k", Mortimer tells. "But then the offer came through for 55k, so obviously the candidate is not going to accept that, which is a waste of time for all parties involved". Often, particularly in the beginning of their journey, startups don't have a lot of money for new hires. However, you should always be clear about what you are willing to offer and not lead candidates along.

How can you do that, without lowering your standards - which is the

number one thing to avoid? Diversity hiring could also help in this instance. By hiring someone who may not have the exact background you'd usually lookout for, you can open the door for a cheaper salary, but with high potential for growth.

While these are the main mistakes to look out for when hiring, there are potentially even more pitfalls along the way, especially if a startup is in charge of their own hiring, without a recruiter to help navigate the process. "People can be technically excellent in a role, and not always able to recognise that in others", Coleman gives one example. So as one final advice, when you start hiring, it's best not to go at it completely alone.

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