

ACT LIKE A START-UP
AND RECRUIT THE BEST TALENT

A Robert Walters Group Company

ROBERT WALTERS

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Introduction

For the past 20 years or more, the fierce competition for talent has been raging across the corporate world with a plethora of books and articles appearing on how companies can best attract and retain the talent they need. Today, companies are no longer competing for talent with their direct competitors nor within their industry. While big brands, deep pockets, great employee benefits used to make for an attractive proposition, it seems that today's workforce values more than just perks and financial rewards and are finding it in start-ups. Indeed, the number of professionals working in start-ups has grown by over 20% in the last 12 months.

It's easy to point to the "coolness factor" of start-ups to explain the shift away from larger, more established companies, but coolness alone doesn't contribute to employee job satisfaction, nor does it aid

the scary statistic that **3 out of 4** start-ups go out of business fairly quickly. In Robert Walters Employee Survey, professionals cited they were looking for meaningful work (34%) and a company culture that allows them to thrive (42%) in a company, traits often renowned with start-ups, as well as career growth, a challenging environment, flexible benefits and the opportunity to innovate.

In a recent Robert Walters Global Poll, 50% of professionals would prefer the experience of working in a start-up over the stability of being employed by an established company. With the number of professionals working in start-ups increasing it is clear there is movement of employees from established organisations to new age ventures.

According to a [Microsoft study](#) over 40% of the global workforce is considering leaving their employer this year, ultimately resulting in massive skill shortages across the globe as companies experience the effects of the 'Great Resignation'. By emulating the [attractive qualities](#) of start-ups, established companies can compete for talent and combat skill shortages.

In this e-guide Robert Walters, together with start-up leaders, share insights on the three start-up characteristics that make them more attractive to professionals, and explain how more established organisations can incorporate these to recruit the best talent.

Source: Robert Walters Global Employee Survey 2021

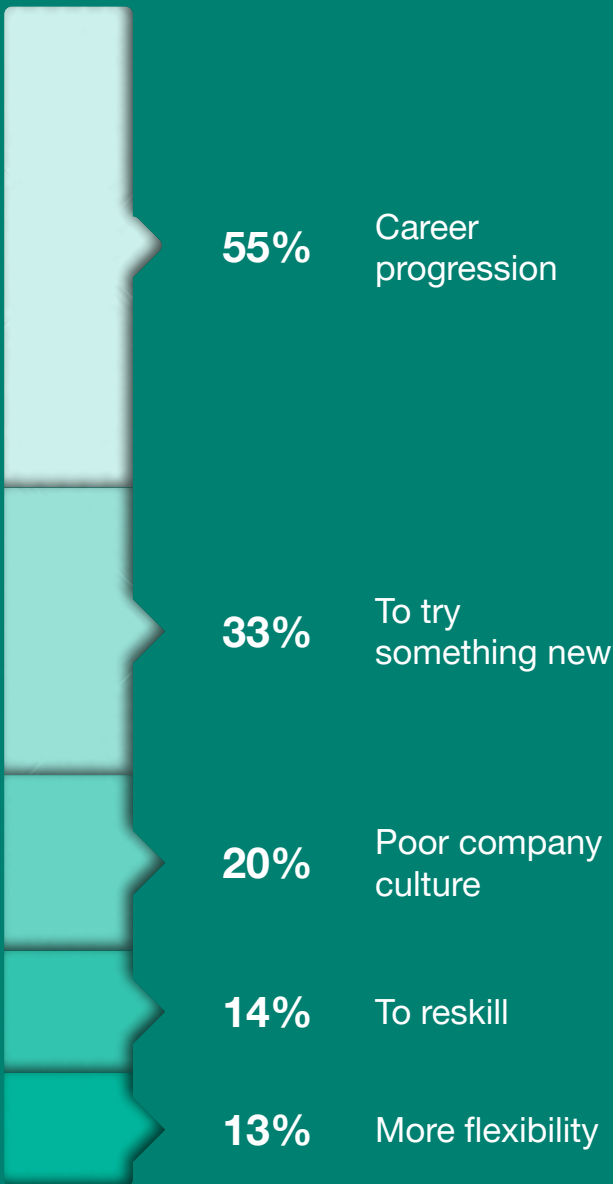
The 3 strategic areas to attract and retain talent like a start-up:

Career growth

Innovation

Culture

Why professionals are leaving their current employers?



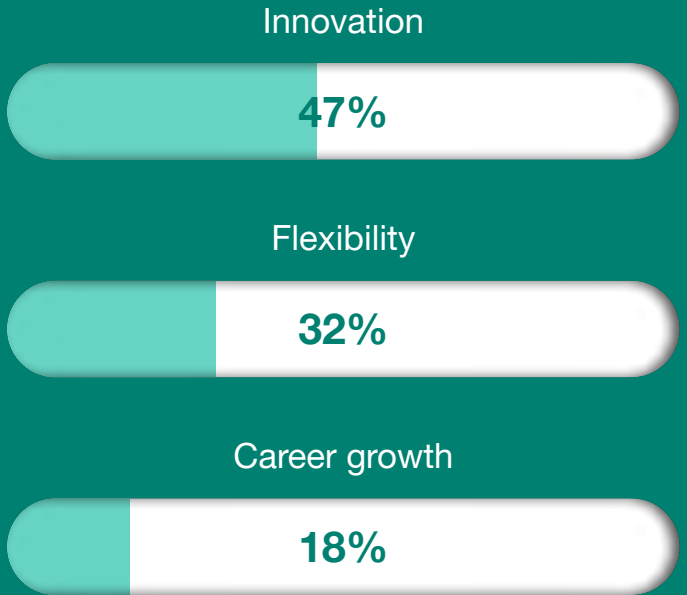
Source: Robert Walters Global Employee Survey 2021

What professionals value most in an employer today?

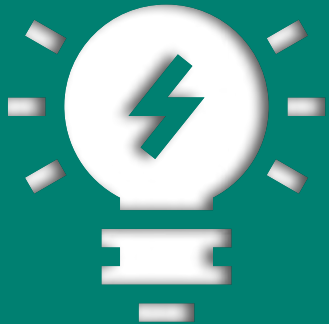
Source: Robert Walters Global Employee Survey 2021



What makes a start-up attractive?



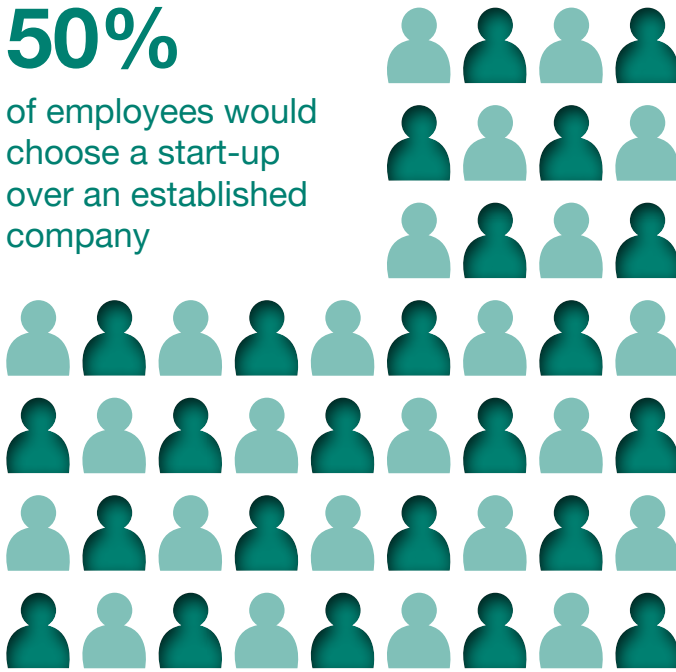
Source: Robert Walters Global Poll August 2021



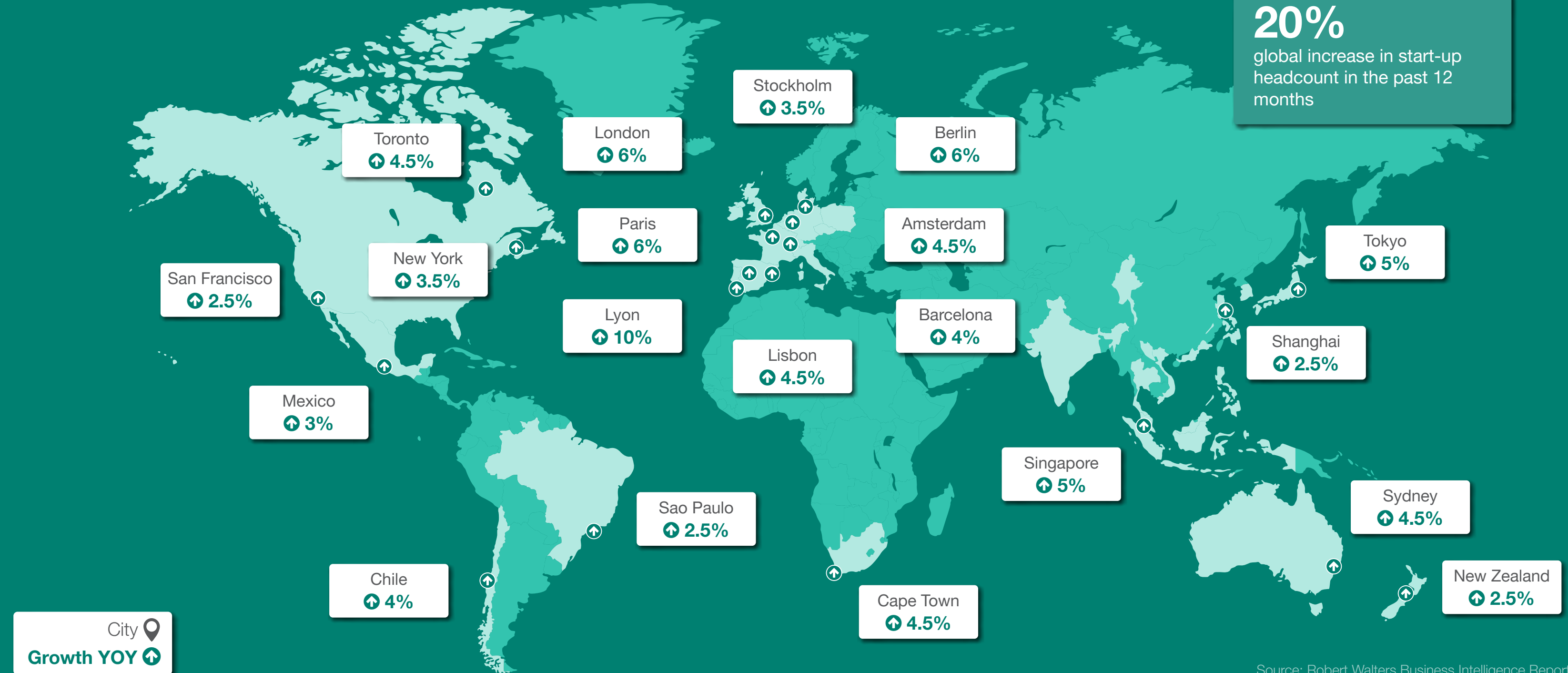
66%
of millennials say innovation is a critical requirement when choosing an employer, according to [The Deloitte Millennial Study](#)

The talent shift

50%
of employees would choose a start-up over an established company



Professionals working in start-ups 2021 vs 2020



Source: Robert Walters Business Intelligence Report 2021

Start-up talent strategies

1. Career growth

Today's employees want to feel that their contribution to the company has an impact. People are happy to work hard, but professionals surveyed said they want to work in a culture that inspires them to do their best (42%) whilst having autonomy over their projects (28%). They also want to receive recognition in ways beyond pay and bonuses.

Start-ups don't have large teams, so their employees must complete any necessary task, regardless of job title. The many-hats environment of a start-up has its advantages, from performing a human resource function one day to assisting business development the next, start-ups teach employees the ins and outs of a company, increasing their value as a professional.

Amsale Aberra, writing in [The Wall Street Journal](#), notes that in small businesses "precisely because resources are scarce, everyone needs to pitch in to help in many different areas. Large businesses tend to rely on many specialised teams and individuals often don't get to experience much variety in their responsibilities or to learn different things". Her comments emphasise why small companies such as start-ups are attractive,

as well as why they can be great incubators for one's career. Employees may have one title, but their responsibilities are multi-faceted, expanding their skill set.

Many professionals move to start-ups to avoid routine tasks, bureaucracy, and slow career progression. While start-ups sometimes may not offer a high salary upfront, they offer a differentiated and challenging work environment. 43% of professionals surveyed said the challenging work environment experienced within a start-up is a result of the constantly changing business landscape.

Start-ups pride themselves on moving quickly. It is likely that the role someone was hired for will look drastically different after a few months. This allows ambitious professionals to thrive through embracing change and working independently.

Source: Robert Walters Global Employee Survey 2021

Act like a start-up



Hear from Dani Binatti, Co-Founder and CTO at Pismo on the initiatives they have implemented to ensure their talent develops and grows at the same pace as their business:

The Pismo logo, featuring a stylized circular icon composed of three segments to the left of the word "pismo" in a lowercase, sans-serif font.

Create opportunity for growth like a start-up

Provide more autonomy: Companies can take a cue from a start-up called Betterment, an online financial services firm, which has turned around the traditional investment company culture and attracted a highly skilled workforce by using autonomy as a way to motivate productivity. Micro-managing is out, and employees are encouraged to develop their own solutions to tasks.

Bring different departments together: Mirror the all-hands-on-deck start-up culture by creating opportunities for different business units to collaborate and learn about one another's work. L'Oréal USA has a creative, multi-purpose take on this. The company periodically draws employees across every function

to spend the day together and meet with a consumer focus group, thereby addressing their employees' desire to understand the broader mission of the company, as well as what their individual customers think.

Detach employee reviews from the bonus cycle: Lear Corporation, a Fortune 500 company, replaced the annual performance review with interactive quarterly sessions between employees and managers to focus on gaining new skills and addressing weaknesses. This not only improves communication, but allows employee recognition to be explored year-round and in non-compensatory ways.



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Autonomy may be an effective solution to a lack of workplace engagement. A workforce that's trusted and allowed to approach tasks their own way is more likely to be engaged.

Michael Nolan
Manager at Robert Walters

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2. Innovation

Start-ups are small autonomous teams that work under conditions of extreme uncertainty, searching for a repeatable, scalable business model by being laser-focused on the value that they provide to their customers. There are also many dynamics at play in a start-up and an important number of constraints. For example, time and money, and the type of funding start-ups raise needs constant validation and proof that they're on a winning track to encourage them to keep experimenting.

Innovation, by its very nature, is risky and involves failure. According to research by Harvard Business School, almost 75% of all start-ups fail. Yet failure is integral to the success of those that survive. It's the 'failure' culture of start-ups that's driving innovation.

Start-ups, and entrepreneurs more broadly, embody the core principles of innovation to drive commercial outcomes. They embrace failure and risk taking and respond to challenges and opportunities with ease because of their agility.

They see failure as a learning experience to improve a product or business and are constantly tweaking, pivoting and iterating their business models, design, product or service to fit their market and create customer value.

True innovation can't happen without highly trained employees who are equipped with the skills, technology, and tools to make the leaps in creativity that lead to real innovation. The secret to innovation lies in collaboration-based work methods that emphasise proactivity, ownership, and continuous learning. According to Deloitte, firms that adopt continuous learning are 92% more likely to innovate. In start-ups, a continuous learning culture is strong, because start-ups offer a true, dynamic learning experience to employees.

Source: Robert Walters Global Poll August 2021



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Failure is a powerful source of knowledge. We try to learn from that and very importantly, communicate this failure to the rest of the company or any new employee which comes in to try and reduce the probability of making the same mistake twice. We incentivise failure in young employees, sometimes it's good that people find the right solutions by themselves and this only comes after trying, making mistakes and learning from it.

Eli Bernal, Innovation Director at Tranxfer, Spain

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Listen to Eli's full podcast interview where she also shares how Tranxfer has created an environment that fosters innovation:

tranxfer

Be more innovative like a start-up

Fail fast and fail cheaply: Encourage experimentations and innovation - include specific experimentation and innovation KPIs in your performance and rewards framework. Consider rewarding learning, not just results.

Embed continuous learning: Here are the key steps to building a culture of continuous learning:

- **Identify skills gaps** - As [Microsoft](#) details in a report, the most effective first step towards the goal of creating a continuous learning culture is to identify your organisation's skills gap.
- **Leadership commitment** - Leaders should demonstrate their own continuous learning journey to inspire and motivate employees to do so as well. This models acceptance, as well as an expectation of people to learn within company time and shows that learning is encouraged, celebrated and rewarded.
- **Learning planning** - Considering investing in a platform that integrates learning and provides everyone with a central location to discover, share, assign and learn.

• **Personalisation and fiscal support** - Having a personalised learning experience, tailored to individual needs is much more likely to be embraced and has a higher success rate of people continuing with learning, as well as it being funded by the organisation.

Form smaller teams: Large teams can be restrictive, increase the speed of innovation by forming small, focused project teams that can move fast (no more than 4). Provide the team autonomy to make certain decisions without needing to seek approval. Agree upfront on the rules of engagement so the team understand the 'safe to fail' boundaries.

Case study: PwC

PwC introduced a program of lifelong learning that emphasises continuous improvement. PwC offers different types of training to their employees, such as traditional learning, e-learning, and mobile learning. In addition to this, PwC also has an innovative learning tool, where employees can search for a topic and choose their type of training, such as using an app, watching a video, reading an article, etc.



39%

of professionals say it's the business model of start-ups that allows them to be innovative

3. Culture

Since start-ups are often run by a small team working closely together, their “culture” is typically a reflection of the founding team’s passions and personalities. In most situations, each individual working in a start-up contributes to the overall culture.

Emiliano Abramzon, co-founder at NearPod, defines “start-up culture” as a positive environment that values creative problem solving, open communication, and a flat hierarchy.

Start-up culture is aimed at breaking down the barriers and hurdles of growth that more established corporations might have and is known for being creative, laid back instead of rigid, and passion-driven.

Four key factors that make up the feel of the ideal start-up culture:

- 1. Passion:** It’s what defines the existence of the business and acts as a great motivator for the team.
- 2. Personality:** Is what makes the start-up unique - what cannot be found anywhere else.
- 3. Agility:** Is the ability for knowledge and information to flow at a pace that greatly improves the business. It’s the more visible factor as it can be identified in the way workers work, offices are organised and brainstorming sessions are carried out.
- 4. Authenticity:** The freedom and respect of each individual’s own identity. Bureaucratic companies tend to have processes for everything and a strict decision-making chain. The opposite is within the start-up culture values.

Key differences between start-up and corporate culture:

| Start-up culture | -VS- | Corporate culture |
|------------------|------|------------------------|
| Modern culture | | Traditional culture |
| Flat structure | | Hierarchical structure |
| Multiple hats | | Defined role |
| Flexible working | | Hybrid working |
| Varied work | | Predictable tasks |

Common benefits offered by start-ups include:

- Free drinks and food at work
- Free gym memberships
- Discounts on services or goods offered by the start-up
- A casual environment in which to work
- Flexible hours and work-from-home options
- Unlimited paid-time-off (PTO)
- Pet-friendly workspaces

Reinvent your culture to be more like a start-up

Hire the right people: Everyone you bring in should match the type of culture and team you are creating. Hiring the right people is more than just finding the most qualified candidate or best CV. Consider their emotional and physical health, what it takes to motivate them, and if they will fit with the rest of your team.

Create a flatter leadership structure: Having a flat leadership structure is complex in larger companies but having active leadership accessibility can break the barriers between multiple management levels and make the culture of the business more engaging for an employee.

Flexible working: The 9-5 working day became obsolete towards the end of 2020 due to Covid, whilst established companies are building their new working models, this is a fantastic opportunity to create a flexible scheme that more closely mirrors the start-up workplace culture they are competing with. For further guidance around Hybrid working, download our e-guide: [Symptoms of Dysfunction in Hybrid Working](#)

Practical perks in the office: “Adulting” is not always easy for busy professionals. Between planning presentations and analysing reports, employees do not get much time to consider their basic needs at work. Alleviate some of that stress by offering practical

rewards in the office and at home, such as free food, gym equipment, childcare services, elder-care help, and laundry options. Partnering with local providers can be a fantastic way to build community relationships and help employees access necessary services.

Flexible employee benefits: Having a flexible benefits plan allows employees to choose their benefits based on their own individual needs – usually for a certain amount of cash per month or year. This could include anything from budget for childcare support or personal development, to extra vacation days.

Provide a productive but fun workplace: Create a workplace setting that promotes interaction and collaboration. Some may find having an open-office environment improves communication and interpersonal relationships among employees. If your budget allows it, you can include a leisure room where anyone can play video games or take a nap during their breaks. The main goal here is to provide an environment where people enjoy what they’re doing and have a place where they can destress and exercise their passion.



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I have seen global companies that are offering the same benefits to their employees no matter where they are working, all of them have the same insurance, same paternity leave, unlimited vacations, however flexibility and remote work are the most requested rewards requested by candidates.

Ricardo Chavero, Co-Founder netWorth

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Listen to Ricardo’s full podcast interview where he explains how netWorth finds talent that are aligned to the start-ups culture and values:

netWorth

Conclusion

Our research has shown us that professionals perceptions of the contrasts between established and small start-ups are significant. Established organisations need to move fast to adopt the best parts of start-up culture within their business in order to compete for the best talent.

1. Adapt for agility

An established company can copy some of a start-up's agility by adapting its structure. Even large companies can introduce new, much more flexible ways of working, with smaller more flexible teams operating in a matrix structure.

2. Change how work gets done

In a start-up professionals have the opportunity to craft their own job as the business evolves and grows. Established organisations should look to replicate this by not having such structured and process driven departments that can sometimes stifle entrepreneurialism and creativity.

3. Encourage innovation

"Fast failure" is a prominent feature of start-up culture. Embracing failure encourages innovation and allows for multiple ideas to be tested in quick succession, in search of the idea that works. Established companies can reconsider their employee KPIs and targets to be more focused on trying new things rather than delivering set tasks.

4. Focus on Talent

Changing the lens on talent is something large organisations can do. Hiring managers need to rid themselves of preconceived notions and unconscious biases, and look to hire, promote, and develop different kinds of people who have the potential to grow with their business.

5. Adapt your leadership style

Successful start-ups work in a productive way if the leaders running them personify all of the traits they want their staff to emulate. Leaders of established companies need adopt some of these skills in the way they operate, welcoming innovation, reducing levels of hierarchy and adopting a more collegiate and meritocratic working style.

Act like a start-up podcast series

In the Act Like a Start-up podcast series, we interviewed leaders from start-ups to gain insights into their unique business models and why these new ventures have become attractive employers for professionals.

Find out how they each push the boundaries of innovation, accelerate their employees careers and build a culture that attracts talent.

In this series you will hear from:

Leanne Kemp

Co-Founder and CTO of Everledger
A providence blockchain start-up in the UK

Tomas Bercovich

Co-Founder and CEO of Global 66
An online payment platform in Chile

Ricardo Chavero

Founder of netWorth
A Fintech start-up in Mexico



Act like a start-up
PODCAST SERIES

Dani Binatti

Co-Founder and CTO at Pismo
A Fintech start-up in Brazil

Eli Bernal

Innovation Director at Tranxfer
A web-based file transfer service start-up in Spain

Tom McKay

Co-Founder and Managing Director at Livewire
A Fintech start-up in Australia

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