

The Importance of HR Skills: *What Aspiring Entrepreneurs Need to Know*



Let's all understand it - companies are not founded with a headcount as big as Apple or Microsoft from Day 1. What things are like when you're just about to build your business empire - **alone**. You need to get in either an employee or a co-founder to help kickstart your marvelous and fantastic idea. It requires HR skills to not only convince the additional member about what your startup does, but also to pull them in with compensation methods, employee's perks, team management and leadership roles to motivate and retain the team.

You, as a founder and entrepreneur, will be the one to set SOPs/precedents for future HR personnel as well as establishing and reinforcing the culture, vision and core values of your startup. There are so many things to do and these are all HR related. So do you, as a founder and entrepreneur, possess these skillsets required to create the next big thing in town?

There is no need for a specific person to be in charge of HR in a startup

It can be a bad use of the initial capital when you hire a specific person just for HR during the early stage. Such investment can be costly when you start adding up the base salary, allowances, statutory contributions, levies, mandatory insurance coverage & many more. Starting out, you may not have

any critical needs or major projects that require a dedicated HR personnel to manage just this portfolio. This may put you in a position where the startup's **cost outweighs the benefits**.

You knowing your business better should make better hiring decisions in early stage. It is essential to get real time feedbacks from others that are ahead of you in the industry to help widen your perspectives. With better understanding of what your startup needs, you will be able to choose the right people and build a team of high-spirited individuals sharing a common goal - growing your business.

What are Some Essential HR Skills that You Need to Know?



1. How to recruit the right person

The best fit for a role is to hire someone that shows commitment to his/her career.

Be thorough when considering a candidate's profile, do the candidate have the right skills? Does he/she fit in your startup's culture? The key in determining a suitable candidate is to ask the right questions in interviews. You may also want to test their analytical thinking and culture fit. Instead of questions such as "Tell me about yourself/strengths/weaknesses", ask questions such as:

- What is the biggest problem you faced in your work and how did you solve it?
- Tell me about a time your behavior had a positive impact on your team.
- Present them with a brainteaser related to the job and listen to their response.

Creating a structured interview may prove to be a very useful tool. This will save you from wasting time asking unhelpful questions. Avoid making snap judgments when hiring. It is better to be thorough with the process and hire someone who will stay on the job rather than hiring quickly and ends up firing them just as quickly.



2. How to motivate and retain an employee

As Founder and Leader, **you are at the tip of the pyramid.** Your team will look up to you for motivation in terms of knowledge, recognition or compensation. Understandably as a start-up, you're unable to offer much monetary rewards, thus, focus on building a strong inclusive culture, leading by example, avoiding witch-hunting and most importantly, acknowledging efforts is the way to go.

Do this by:

- **Be inclusive and listen to opinions.**

Every individuals possess their own unique set of skills and perspective to problems and solutions. By engaging them, you, as the decision maker, will be opened up to a wider range of possibilities and information. Hence aiding you in making a much clearer and informed decision. **Always listen before you speak**, it is important to understand your employees first so they can feel appreciated and heard.

- **Avoid autocracy**

Trust your judgement. You had recruited them for a reason and often, it is to complement areas which you are lacking expertise. Be humble always and avoid making top down decision without considering others. Accept suggestions and you will be surprised by how much more motivated and willing your employees will work for you when their voices are heard.

- **Focus on solutions not problem**

Mistakes are inevitable. Learn from it instead of dwelling over it. Focusing too much on problems not only is a waste of precious resources but also demoralising for the team. Encourage and challenge employees to develop solutions for mistakes will be a good motivational method which could lead to a higher sense of responsibility and ownership.

- **Managing your team the 'right' way**



Empowerment or micromanagement? Words of encouragement or monetary rewards? There is no absolute right method that can be applied across the board to all employees. Everyone is an unique individual, and it means they will react differently to various management methods. Balancing between standardisation and customisation is the key. Ensure flexibility in your approaches and constantly review your methods. Employees might requires different types of needs as they progress in their career and life.

3. How to terminate someone



Termination can be a very unpleasant experience for both the employer as well as the employee. Nobody wants to tell someone they're about to lose their job and nobody wants to hear it! However, sometimes plans fall through and things do not go as smoothly as planned. Consider these Do's and Don'ts when you have to do the act:

Do's

- Stay professional. Avoid making decisions based on personal reasons.
- Emphasize that decisions were made objectively for the good of the business.
- Don't prolong the situation.
- Skip the small talk and go straight to the point.
- Be humane - show compassion, listen to what they have to say.
- Talk to your team afterwards.

Don't's

- Do not fire someone through email, voice messages or letter.
- Do not send someone else to do it for you.
- Do not end the termination with a negative note if possible - the least you can do is offer a positive gesture such as thanking them for their hard work for the business goals and dreams.



It is always better to schedule the termination at the absolute end of the workday, when the office is clearing. This gives time for the employee to gather themselves and not having to face their colleagues right after receiving the bad news. Remember that **your actions when firing an employee also reflect your attitude as a leader.**

Below is an example of how a good leader drives motivation of employees up. A recommended read by the TalentStork team.

Simon Sinek, Author & Motivational Speaker – Why good leaders make you feel safe

Link to video (11mins):

https://www.ted.com/talks/simon_sinek_why_good_leaders_make_you_feel_safe

Or hold ctrl and click on video to watch.



If you are reading this, we can safely assume that you enjoy the article as much as we do! Great news for you, TalentStork will be holding a seminar talk and all communities within NUS Enterprise will be invited! Even better news, it is free! The agenda of the seminar will be centered around:

- How to recruit, motivate, retain and terminate?
- Setting a new HR Framework for Startups
- How HR is related to business results for startups
- And many many more...

To register your interest, click [here!](#)