A Complete HR Guide for Startups

Everything founders need to know before scaling

Official Health Partner

GründerAtelier

Copyright © via GründerAtelier GmbH
All rights reserved.

Table of Contents

1. Introduction about the partners 8
Techniker Krankenkasse 8
Every company requires HR management 8
GründerAtelier 9
2. HR in scaling companies 10
Scaling needs 10
Redefining Job Functions 11
Hiring, promoting, and letting people go 11
Attracting people who add value to the startup's growth goals. 12
War for Talent 13
Team-building Culture 14
Building a great team 14
Remote team 15
Technological environment 15
References (APA) 17
3. Defining your company 19
Company goals 19
Mission and Vision 20
Values 21
Organizational Culture 22
Culture Management Tools 22
The role of Management 25
The Role of Middle Management in HR 26
References (APA) 27
4. Attract and recruit 28
Introduction 28
Setting up the recruitment process 28
Establishing the Recruitment Objectives 29
Develop the Recruitment Strategy 30
Creating the most important documents 32
Drafting your recruiting requirementsv(RER) 32
Drafting of the job advertisement 34
Your operational start to successful recruiting 36
Screening 36
Applicant tracking 38
Interviewing 39
Recruitment KPI Tracking & Evaluation 44

Making the recruitment process attractive 44
Speed 44
Transparency 46
Feedback Culture 47
Recruiting trends in 2022 48
Generation Z 48
Social Recruiting 50
Employer Branding 52
People Analytics 53
References (APA) 55
5. Onboarding 58
Onboarding introduction 58
Cultural Diversity 58
Why did we create a welcoming culture eGuide? 59
The challenges faced by inpatriates 59
Operational Onboarding 60
Tasks before the start date 60
The first weeks 61
Legal Onboarding 62
What is the purpose of social security? 62
Health offerings and start-ups: a good fit? 62
What role does TK play here? 63
TK Services 63
TK-WelcomeGuide & TK-WelcomeService 63
TK-WelcomeService 63
TK-WelcomeGuide 63
How to register your first employee 64
Registering new employees 64
What information do I need from new employees? 64
Don't forget a thing thanks to our checklist 64
Questionnaires for newly employed temporary staff, students and interns 65
FAQ 65
Checklist for hiring from abroad 66
Digitization and health: New work-study from the Verband Deutscher Startups e.V. [Association of German Start-ups] 68
Health offers and personal resources 68
Corporate development and outlook 70
References (APA) 72

Copyright © via GründerAtelier GmbH I All rights reserved.

6. Offboarding 73

Offboarding - An active approach 73
Knowledge transfer and handover of duties 73
Approach 1: Direct handover 74
Approach 2: Formal knowledge transfer 74
Approach 3: Mentorship approach 74
Mentoring Methodology 75
IT Offboarding and Data security 75
Return of work materials and keys, access cards, etc. 75
Deactivation of authorizations and passwords for work-related IT systems 75
Ensuring availability for contact after the termination of the employment relationship 77
Rituals, Exit talks, and Exit 77
Cultural Offboarding 79
Legal Offboarding 79
References (APA) 80

Copyright © via GründerAtelier GmbH I All rights reserved.

ACRONYMS AND ABBREVIATIONS

Acronyms & Abbreviations	Definition
ATS	Applicant Tracking System
EX	Employee Experience
HR	Human Resources
KPI	Key Performance Indicator
RER	Requirements and Responsibilities
RJP	Realistic Job Preview
IT	Information Technology

Copyright © via GründerAtelier GmbH I All rights reserved.

Table of Contents

Graphic 1
Seven startup scaling levers (Peter S. Cohan 2019) 11
Graphic 2
Contributors vs Impact players (Wiseman & Hancock, 2021) 12
Graphic 3
Pyramid Results - Actions - Beliefs - Experiences (Connors, R., & Smith, T. , 2012) 24
Graphic 4
6-step leadership alignment process (Connors & Smith, 2012) 25
Graphic 5
Recruitment objectives 29
Graphic 6
Levels of requirements for hiring 32
Graphic 7
9 recruitment KPIs to track in 2022 45
Graphic 8
Top criteria Generation Z look for in a Job (EY Ripples, 2021) 49
Graphic 9
Social media platforms used to search for job offers (Statista, 2019) 51
Graphic 10
Median Retention for referral hires (iCIMS, 2018) 52
Graphic 11
People Analytics 53
Graphic 12
Dedication to employer health 68
Graphic 13
Health offerings (Verband Deutscher Startups e.V., 2021) 69
Graphic 14
Digitization and health (Verband Deutscher Startups e.V., 2021) 70
Graphic 15
Average total cost of a data breach by country or region (IBM, 2021) 76

Copyright © via GründerAtelier GmbH I All rights reserved.

1. Introduction about the partners

Techniker Krankenkasse

Techniker Krankenkasse is one of the largest statutory health insurance funds in Germany.

With more than 10.7 million insurees and some 14,000 employees, TK is not only optimally positioned in terms of its insurance structure, but also boasts an exceptional degree of expertise in employee recruitment, employer branding, and employee health.

Every company requires HR management

“In the modern world of work, valuable employees have become a motor for success. In addition to specialist know-how, creative ideas, and spirit, commitment, as well as a willingness to embrace change, are key. However, it is not always easy to find employees who meet these demands. What is more, once you have found them, the focus needs to be on motivating and retaining them. Added to this are the ever-increasing competition for employees and the fact that the lack of qualified staff is set to have a growing impact in the future.

That is why, alongside the goal of having “the right employee at the right time in the right place”, issues such as staff retention and motivation are of great importance for ensuring corporate success. In the future, work will be shaped by agility, network, resilience, and a sense of purpose, and it is the task of HR to create attractive and customizable offerings for employees.

Companies require an HR strategy and well-placed HR management structures from the outset in order to take a proactive approach to these challenges. However, in the development phase of a start-up, in particular, it is not normally possible to employ HR experts. Nevertheless, it remains important to address HR issues early on, establish a knowledge base and put this into practice. With this HR report, we hope to offer you valuable insight and ideas. I would like to wish you every success with your endeavours!”

Evelyn Falk, Head of HR at Techniker Krankenkasse

Copyright © via GründerAtelier GmbH I All rights reserved.

GründerAtelier

GründerAtelier is the innovation funnel for Companies and Entrepreneurs in Europe that want to have a positive impact on our society. We strive to partner and work with ambitious entrepreneurs and bright minds to creatwe a prosperous environment where the most innovative ideas and companies can thrive. GA is a Pan-European firm focusing on Consulting and Venture Creation. We develop start-ups or business concepts internally or on-demand for corporations and test them on the market.
GründerAtelier helps young companies to scale, to fulfill their investment needs and to build strong relations. To support start-ups in an early stage we offer coachings as well as consulting services in the following areas:

- Business Strategy
- Human Resource Management
- Market Research
- Financial Forecasting
- Pitch Deck Creation

Yumeda

yumeda is a digital studio that seamlessly blends strategy, creativity, and design in a digital environment. With our vision in mind to "impact society through projects that follow our passion for creativity, analytics, and ethics.", we collaborate with impactful players from the finance and healthcare industry. Focusing on UX/UI, Branding and Digital Marketing

People that worked on the report

Techniker Krankenkasse :

Tammy Bieth
Startup- und Hochschulberaterin
Tammy.Bieth@tk.de
Tel. 040 - 46 06 51 07 614

GründerAtelier :

Julian Preibsch
Managing Partner
julian.preibsch@gruenderatelier.de

Carla Canales La Serna
Human Resources
carla.canales@gruenderatelier.de

Daniele Pistelli
Online Marketing
daniele.pistelli@gruenderatelier.de

Ana Rodrigues
Graphics Designer
ana.rodrigues@gruenderatelier.de

Yumeda :

Nils Franke
Marketing & Strategy
nils.franke@yumeda.de

Alexandra Vavouraki
Graphics Designer
alexandra.vavouraki@yumeda.de

Copyright © via GründerAtelier GmbH I All rights reserved.

2. HR in scaling companies

Scaling needs

Scale-up companies' products and services have been validated by the market and their sales are increasing at a fast rate. This company's growth brings opportunities and new needs to be addressed.

These needs will vary depending on the startup's strategy; therefore customizing the roadmap beforehand will help your company for the next stages. Cohan (2019) explores seven levers a startup CEO can use to overcome the different steps of scaling. This report will focus on the HR-related ones, giving a clearer perspective of the Human Resources necessities.

Creating a company culture is vital as your business grows and hiring people is required. This topic is developed in more detail in chapter *"4. Defining your company"*. Here we will focus on the company's values since for the first company stages your core team has been working together, learning from each other.
In case you have not defined your company's values yet, now is the time to explain how your people will experience them within the company. There is no better way to connect with your team than by allowing them to be part of the company story.
The company story is related to the organizational culture, therefore, it is your starting point and it has to be transversely present in all processes, from building growth trajectories and raising capital, to holding people accountable, and coordinating processes as shown in Graphic 1.

How can you (the CEOs) keep the culture alive? The most effective way is to communicate and have it reflected in the way you run your day-to-day business. As mentioned in the literature, "The more you develop the language and the stories, the more you strengthen your culture" (Richaman & Kirlin, 2015). Furthermore, company culture must adapt while the startup is growing by anticipating the next business needs and priorities of customers, employees, partners, and investors.

Copyright © via GründerAtelier GmbH I All rights reserved.

Graphic 1 - Seven startup scaling levers (Peter S. Cohan 2019)

Redefining Job Functions

Leaders do this by **adding new jobs, changing existing ones, and eliminating others**. For example, when a start-up has a team of 10 or 20 people, each member should have a clear idea of the startup's mission and takes it upon him/herself to perform many job functions. After this first stage, you as a leader have to define jobs more narrowly, assigning more specific tasks to the different positions, for example, the Talent Acquisition Team can be organized into Recruiters, Candidate and Employee Experience (EX), Payroll and Benefits, etc. You must anticipate how job functions must change as a company scales while less effective leaders wait until a crisis hits before recognizing the need to change.

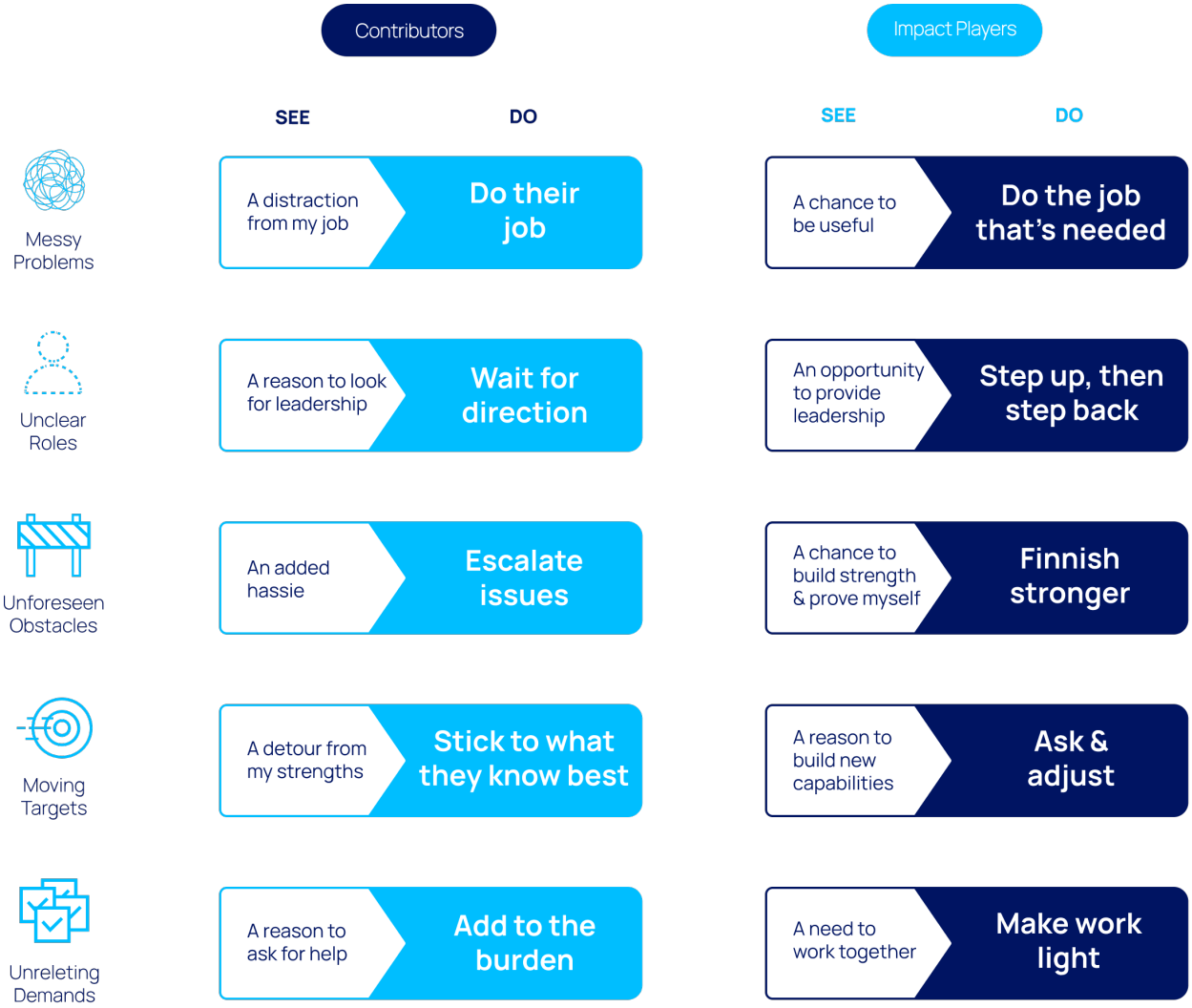
Hiring, promoting, and letting people go

Once the positions are covered, **hiring, promoting, and letting people go** are the consequent actions related to human resources. Leaders must find candidates that fit into their evolving roles. In order to achieve this goal, the scouting stage has to be aligned with company requirements. Creating a candidate's persona for each job position will help you make decisions for hiring. It is strategic to know which profile will suit better in a specific position at a certain point in the company's timeline. Additionally, it is relevant not to underestimate the cost of turnover. This cost increases proportionally to the time invested in searching, recruiting, onboarding, training, and developing a new employee. Therefore, you need to be very fine-tuned in your talent acquisition strategy. Nowadays, appropriate talent management has become a competitive advantage. Successful enterprises attract, develop, and retain talent (Keller,2021). For this reason, if you want to be a successful founder, you should constantly monitor how well people are performing in their evolving roles, be actively engaged in recruiting and training key talent and let go of those who no longer fit.

Copyright © via GründerAtelier GmbH I All rights reserved.

Attracting people who add value to the startup's growth goals.

Outstanding CEOs establish and apply accurate processes to ensure that each person is willing to achieve their goals. Therefore, your team should be integrated with impact players or also known as A players who are constantly adding value and can see every-day challenges through an opportunity lens. (Wiseman & Hancock, 2021) present the key differentiators between Impact Players and contributors in the following graphic. Each is a set of behaviors unearthed by their research.
While your organization is fastly growing, more specialized jobs will be needed to achieve your scale-up goals. As the CEO you have to find a precise ratio of generalists and specialists. Consequently, your hiring process must be appraised and enhanced to cultivate talent competitiveness, with the objective of being an attractive company in the war for talent.



Graphic 2 - Contributors vs Impact players (Wiseman & Hancock, 2021)

Copyright © via GründerAtelier GmbH I All rights reserved.

War for Talent

At the end of the 1990s, McKinsey&-Company approached this new concept. The highly skilled talent is demanded by the market at a fast rate, making it harder and harder to fill positions with brilliant employees.

From the 1990s until now, the global economy has changed and new generations have entered the labor market. The Bureau of Labor Statistics reported in its 2020 Employee Tenure Summary that the median employee tenure was 4.3 years for men and 3.9 years for women. On the other hand, Millennial employees, born between 1980 and the 1990s, will change jobs more often than older generation employees. 6 in 10 say they are currently looking for new employment opportunities (Gallup,2016).

"More than half of the millennial workforce are considering leaving or planning to leave their jobs; 60% of millennials say they are open to different job opportunities" (Gallup, 2016).

Consequently, the talent market has several challenges to be faced, i.e. the possession of convenient employees with the knowledge and experience at the right time. Therefore, in the war for talents there are some requirements to be considered at three different levels (Stus s,2020):

- **Strategical**: Identify your human capital organization strategies, gaps, and methods.

- **Tactical**: Recognize your employee's talent, skills, and potential development. For this topic, consider adjusting management, skills, and efficiency for the company's and employees' long-term goals.

- **Operational**: Transfer from data management and information to managing people's attitudes and knowledge. This information can be used with both new and conventional technologies to apply learning, evaluation, efficiency, and development management plans achievable for your employees' career paths.

Companies are facing "The Great Resignation": 3.6 million Americans quit their job last May 2021 (Gandhi&Robinson, 2021), as people are re-evaluating what work means to them. According to Gallup's State of the Global Workplace: 2021 Report, this is directly related to employee engagement reflecting the involvement and enthusiasm of employees in their work and workplace.

The report found that 80% of employees are not engaged or are actively disengaged in their working environment. This lack of engagement costs the global economy US$8.1 trillion, nearly 10% of GDP, in lost productivity each year (Gallup,2021).
Some factors such as physical health, loneliness, financial hardship, and community support, among others, affect the involvement, enthusiasm, and productivity of workers in both

Copyright © via GründerAtelier GmbH I All rights reserved.

good and bad times. Future successful corporations will not only generate profits but also forge thriving employees who are capable of weathering crises. In order to resolve this situation, the Great Resignation can be resolved with a Great Manager:

> *"It takes more than a 20% pay raise to drive most employees away from an engaging manager, and almost nothing to drive most disengaged workers away. High-quality managers who inspire and support their teams are an effective moat of protection for retaining their most talented workers" (Gallup, 2021).*

Team-building Culture

One of the main objectives of implementing a team-building culture is to shape job-related teamwork. First of all, your team has to be aligned with the organizational culture, vision, mission, and values. Once your team has internalized and understood the company's big picture, everyone will be aware of the current strategy and priorities. This is a huge strategic benefit for the company. Research shows that 97% of executives and their employees agree that team alignment is crucial to project outcomes (Dennison,2021).

> *"People who are thinking only about themself are missing the big picture." - Friedrich Nietzche*

Team-building enhances your team performance through action learning and will grant leadership development to be the byproduct. According to Hanson,2022, successful teamwork requires three aptitudes: receptivity, vulnerability, and team-building. The first one is related to being authentically open-minded by listening to other people's opinions and making space for innovation; vulnerability is not often known as a skill, but it takes practice to suggest something that may not be accepted by all, and finally, team-building exercises allow the team to engage and improve their effectiveness. Having a profound team culture will create more closeness and build trust amongst the members, contributing to the team's identity, and alignment with your company's goals.

Building a great team

Leaders must know each team member's experience, skills, attitude, passion, temperament, emotional skills, potential, and how they interact within the team. To improve effectiveness, your team must be on the same page about organizational priorities.

Having a collaborative team ensures that everyone is seeking the same common goal, moving to a higher level, to express how the team wants to work together to achieve breakthrough results.

> *"It's not enough for leaders to spot collaborative opportunities and attract the best talent to them. They must also set the tone by being good collaborators themselves" (Ibarra&Morten, 2015).*

The role of managers appears to be crucial in creating strategic support for working and remote working ini-

Copyright © via GründerAtelier GmbH I All rights reserved.

tiatives. Working from home brings new opportunities and challenges for organizations and employees. Your management approach has to be more horizontal and collaborative. This style believes that people work without the need for constant control and assumes self-motivation, ownership, and responsibility. On the opposite side, companies that use micromanaging do not trust employees' work and think that being in a physical place demonstrates work and accountability (Belling, 2021).

Remote team

When having a remote team, you need to adopt new technologies, work and lead teammates from different countries, promote a balance in life and work, promote good health, motivate strong employee performance and adapt organizational culture with remote norms. According to Belling (2021), if the company has already built a strong network of relationships with the entire team, they have done most of the work to install a strong remote working culture.
Trust is listed as one of the key people attributes necessary for virtual project organizations to move to higher levels of maturity and competence. In remote teams, trust evolves differently, since there is no physical approach and informal communication.

For this reason, you should create scenarios in your company, where the team has the opportunity to talk about non-related work topics and learn about each other periodically. Also using social media platforms promotes getting to know each other differently. For example, they can create a Slack Community, or encourage team-building activities using teambuilding applications such as Squadpal, and teambuilding games, among others.

Creating a positive environment will foster, protect and engage your team. As the case may be, virtual team members share concerns, work approaches, and engage in collaborative leadership based as already mentioned on trust (Rad & Levin, 2003).

Technological environment

Technology is a crucial tool for remote work to be effective and to encourage and promote a collaborative environment as well. Nowadays, there are a huge number of platforms and tools that boost a clear and precise work delegation, increase productivity, improve tracking and reporting, offer workplaces to organize documents in a better way, allow work in different geographic locations, and cross-functionally with your teams and departments.

Copyright © via GründerAtelier GmbH I All rights reserved.

It is relevant to take into consideration the following checklist once technology platforms are implemented.

- ☐ **Make your communication as transparent and people-centric as possible.**
- ☐ **Ensure that your employee benefits adapt to meet the needs of remote employees.**
- ☐ **Ensure that technology evolves and adapts to support your remote employees.**
- ☐ **Design opportunities to connect your people with lives and interests beyond work.**

Some of them are used for different purposes, including internal communication, online meetings, managing projects, and collaborative design platforms. A McKinsey study showed that workers spend an average of 14% of their workweek communicating and collaborating internally. It also highlighted that improving internal collaboration through social tools could help you raise the productivity of interaction by as much as 20% to 25 % (Chui et al 2019).

Without technology and software, virtual offices couldn't exist. That is why online platforms serve as the main site for communication and collaboration. Electing the most suitable remote work software will help you to create a productive, and outstanding team. To make this happen, you should provide in your organization the job material like equipment, software, and program licenses.

Copyright © via GründerAtelier GmbH I All rights reserved.

References (APA)

Belling, S. (2021b). *Remotely Possible: Strategic Lessons and Tactical Best Practices for Remote Work (English Edition)* (1st ed.). (Pp.45- 46; P. 68).Apress.*https://doi.org/10.1007/978-1-4842-7008-0*

Block, J. H., Fisch, C. O. & van Praag, M. Quantity and quality of jobs by entrepreneurial firms. Oxf Rev Econ Policy, 34, 4, 565–583 (2018).*https://doi.org/10.1093/oxrep/gry016*

Chui, M., Manyika, J., Bughin, J., Dobbs, R., Roxburgh, C., Sarrazin, H., Sands, G., & Westergren, M. (2019c, February 13). *The social economy: Unlocking value and productivity through social technologies.* McKinsey & Company. Retrieved April 3, 2022, from *https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/the-social-economy*

Cohan, P. S. (2019). *Scaling Your Start-up: Mastering the Four Stages from Idea to $10 Billion (English Edition)* (1st ed.) [E-book]. Apress. Pp. 3-4. *https://doi.org/10.1007/978-1-4842-4312-1_1*

Dennison, K. (2021, August 11). *How Leaders Can Increase Engagement And Build Stronger Teams.* Forbes. *https://www.forbes.com/sites/karadennison/2021/08/11/how-leaders-can-increase-engagement-and-build-stronger-teams/?sh=7590e3ed5521*

Eisenmann, Thomas R. and Wagonfeld, Alison Berkley, Scaling a Startup: People and Organizational Issues (February 23, 2012). Harvard Business School Entrepreneurial Management Case No. 812-100, Available at SSRN: *https://ssrn.com/abstract=2037236*

Espinoza, C., & Ukleja, M. (2016). *Managing the millennials: Discover the core competencies for managing today's workforce.* John Wiley & Sons. ISBN-10: ▒ 0470563931

Gallup (2016). How Millennials Want to Work and Live.The six big changes leaders have to make. Retrieved from *How Millennials Want to Work and Live (gallup.com)* Pp.10;.54

GALLUP. (2021). State of the Global Workplace 2021 Report (P.2). Retrieved from: *state-of-the-global-workplace-2021-download.pdf (bendchamber.org)*

GANDHI, V AND ROBISON, J. (2021, July 22). The 'Great Resignation' Is Really the 'Great Discontent'. Retrieved Apr 15, 2022, from *'Great Resignation' Is Really the 'Great Discontent' (gallup.com)*

Hanson, W. (2022, February 14). *Three Skills Learned Through Improv That Enhance Collaboration In Teams.* Forbes. Retrieved Mar 15, 2022, from *https://www.forbes.com/sites/forbescoachescouncil/2022/02/11/three-skills-learned-through-improv-that-enhance-collaboration-in-teams/?sh=5dc3865bd05c*

Ibarra, H., & Morten T. Hansen. (2015, July 15). *Are You a Collaborative Leader?* Harvard Business Review. Retrieved Apr 28,2022, from *https://hbr.org/2011/07/are-you-a-collaborative-leader*

Keller, S. (2021, July 7). *Attracting and retaining the right talent.* McKinsey & Company. Retrieved Feb 25, 2022, from *https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/attracting-and-retaining-the-right-talent*

Lee, Saerom (Ronnie) and Kim, J. Daniel, When Do Startups Scale? Large-scale Evidence from Job Postings (January 22, 2022). Available at SSRN: *https://ssrn.com/abstract=4015530* or *http://dx.doi.org/10.2139/ssrn.4015530*

Meister, J. (2017, January 3). *The Future Of Work: Job Hopping Is the "New Normal" for Millennials.* Forbes. Retrieved May 5, 2022, from *https://www.forbes.com/sites/jeannemeister/2012/08/14/the-future-of-work-job-hopping-is-the-new-normal-for-millennials/?sh=3c78600713b8*

Microsoft. (2021, February 4). *Microsoft unveils new Employee Experience Platform â Microsoft Viva â to help people thrive at work.* Stories. Retrieved May 20, 2022, from *https://news.microsoft.com/2021/02/04/microsoft-unveils-new-employee-experience-platform-microsoft-viva-to-help-people-thrive-at-work/*

Pendell, B. R. (2021a, December 28). 7 Gal-

Copyright © via GründerAtelier GmbH I All rights reserved.

lup Workplace Insights: What We Learned in 2021. Gallup.Com. *https://www.gallup.com/workplace/358346/gallup-workplace-insights-learned-2021.aspx*

Popovici, V., & Popovici, A. L. (2020). Remote work revolution: Current opportunities and challenges for organizations. *Ovidius Univ. Ann. Econ. Sci. Ser, 20,* Pp.468-472. ISSN 2393-3127

Reilly, B. R. (2022, May 17). *5 Ways to Improve Employee Engagement Now*. Gallup.Com. Retrieved May 20, 2022, from *https://www.gallup.com/workplace/231581/five-ways-improve-employee-engagement.aspx*

Reypens, Charlotte, Julie Delanote, and Désirée Rückert. "From starting to scaling." (2020). *From starting to scaling - Publications Office of the EU (europa.eu)* ISBN: 978-92-861-4686-2 (PDF/EN) DOI: 10.2867/42527

Richman, R., & Kirlin, B. (2015). *The Culture Blueprint: A Guide to Building the High-Performance Workplace (English Edition).*Pg 30. CultureHackers. ISBN-10: 0692274774

Salas, E., Rozell, D., Mullen, B., & Driskell, J. E. (1999). The Effect of Team Building on Performance. *Small Group Research, 30*(3), Pp. 309–329. *https://doi.vorg/10.1177/104649649903000303*

Stuss, M. (2020). TALENT MANAGEMENT – WAR FOR TALENTS. Proceedings of the 11th Business & Management Conference, Dubai. *https://doi.org/10.20472/bmc.2020.011.013*

The Behaviors that Define A-Players. (2017, December 7). Harvard Business Review. Retrieved July 6, 2022, from *https://hbr.org/2014/04/what-a-players-do*

U.S. Bureau of Labor Statistics. "Employee Tenure Summary (2020). Employee Tenure Summary. Retrieved May 19, 2022, from *https://www.bls.gov/news.release/tenure.nr0.htm*

U.S. Bureau of Labor Statistics. (2022). *Job Openings and Labor Turnover Summary.* Retrieved May 19, 2022, from *https://www.bls.gov/news.release/jolts.t04.htm*

Wiseman, L., & Hancock, L. (2021). *Impact Players: How to Take the Lead, Play Bigger, and Multiply Your Impact.* Harper Business. *Impact Players: How to Take the Lead, Play Bigger, and Multiply Your Impact (impactplayersbook.com)*

Copyright © via GründerAtelier GmbH I All rights reserved.

3. Defining your company

Company goals

The company's goals are concrete actions that you need to achieve within a certain time frame. They are more specific than the overall mission statement and form an important part of the business plan. Having clear, specific deadlines and achievable business objectives allows you to manage the business in the right direction as it grows. Their importance lies in knowing the progress on the way to the company goal, but also in determining what is the planning purpose. In order to set effective goals you need to keep in mind that they should be SMART:

- **S**pecific: Make your goals clear and narrow for successful planning.
- **M**easurable: Keep the focus on metrics and measurements to re-evaluate when necessary.
- **A**ttainable: Make sure you can achieve your goals within a fixed period of time.
- **R**elevant: Your goals should align with your values and long-term objectives.
- **T**ime-based: Specify the schedule and set an end date for task prioritization and motivation.

Additionally, keep in mind this roadmap will help you to carry out the company goals:

1. Assigning who will be involved in developing a performance management system for the tasks required.
2. Building the company objectives with the team and rewarding those who achieve their objectives.
3. Creating action plans by including specific projects for specific team members.
4. Establish a timeline by setting deadlines for reaching your company's goals and individual objectives.
5. Provide sufficient resources and tools to ensure that your team is aware of their tasks.

Copyright © via GründerAtelier GmbH I All rights reserved.

According to Schiemann (2009) *"Only 14% of the organizations have a good understanding of their company's strategy and direction"*. You need to communicate the business goals and objectives clearly, constantly, and consistently. It is all about describing what is the final destination, this will contribute to engaging the employees by knowing what they are contributing, so they can visualize it and enjoy the journey. That is why CEOs must be transparent by keeping the team updated.

Mission and Vision

Understanding the main difference between these two concepts will allow you to correctly formulate each one. The mission answers the question, "Why do we exist?" and the vision answers "Who do we want to be? Where do we want to go? What do we want to achieve?". As you can see, a company's mission and vision differ in time. The first one talks about who we are in the present and our reason for being. On the other hand, the vision explains where we want to go. In other words, the mission is the present and the vision is the company's future.

If we analyze these three mission statements, we can see that they start with a verb, then what we do and for whom we are existing, and finally communicate the benefit they are offering.

"To organize the world's information to make it universally accessible and useful"
- Google

"Inspire and empower everyone to fight food waste together"
- Too Good to go

"Enabling better organizations"
- Personio

This checklist can help to formulate the mission statement:

- ☐ Does it help leaders to set priorities?
- ☐ Does it engage the team and drive loyalty across generations?
- ☐ Does it promote brand differentiation, consumer passion, and brand management?
- ☐ Does it support/ improve strategic alignment over time?.
- ☐ Can it be measured?

As Barnard (1986) said, *"the company purpose is the objective of cooperation that makes the organization possible"*. Once this information is created, share it with your team and ask them for feedback, making two or three versions to test in focus groups or by voting.

Now that the company's present is defined, it is time to highlight the future. When it comes to creating the vision, the goal is to describe the future of your company. Anyhow, the vision needs to be aligned and coherent with the mission.

The vision statement will create a

Copyright © via GründerAtelier GmbH I All rights reserved.

clear path for change: what is going to be the output. Your company vision is dynamic and time-bound, therefore, leaders should be aware of the changes, otherwise, nothing will be achieved. These are some characteristics to take into consideration when building your vision statement (Humphreys,2004):

- Think BIG, challenge, and inspire others.
- Future tense: From present up until 5 years more.
- How is the company going to achieve it?
- Explain what the company's future impact will be.

The vision statement serves the mission, they are linked to each other. See how they are related:

"To provide access to the world's information in one click."
- Google

"To contribute in every way we can to build the global food waste movement".
- Too good to go

"Become the leading HR Platform for SMEs in Europe".
- Personio

These companies have a solid approach that they use to achieve their vision, the vision translates into daily actions in every workday. Following the company's vision, employees can see themselves in the bigger picture as well as providing the best service for every task.

As a founder, you need to make an effort to create these vision statements since you are the starting point for the company's strategy. This is why the mission and vision need to be solid, and understandable for everyone. Having a clear, short, simple, easy-to-communicate mission and vision, will rebound in every single level of the team.

Values

The core values respond to the question of how will we behave? They are the company's DNA and designing them will make a decisive step to creating the environment desired within the organization. These values will facilitate your decision-making in a self-managed organization and will help you decide the goals, strategies, and people.

What does value mean? The theory defines values as desirable, trans-situational goals that vary in importance as guiding principles in people's lives (Kluckhohn, 1951; Rokeach, 1973). After having a specific experience, judgment is created and a set of beliefs that are linked to the values are going to lead to another kind of behavior.

Mindset Model

Experience - Belief - **VALUES** - Behavior - Results

If you are starting from scratch, a co-creation process will help you

Copyright © via GründerAtelier GmbH I All rights reserved.

clarify and redefine what you are doing and why. First of all, you should list your personal values as a founder. It is significant as a leader to recognize which ones are considered most meaningful. Then you should identify key people's values. With this information combine the results, make a list and begin to test them with the managers, and key employees. The next step is to scratch the ones that result unnecessary in the first phase, create a shorter list and send it to the entire team as a survey to ask for feedback. Make a list with unique and inspiring worded values. It is better to have no more than 10 values in total.

Once the core values are created and tested, they become not negotiable, everybody must stand on them, and everybody will live and experience them every day. To efficiently apply them, communication is a key factor - publish them on every touchpoint with the team, clients, etc i.e. the website, social media, and email signature; reinforce them at the meetings, living, and showing them on an ongoing basis.

Finally, keep in mind that values cannot be trained but must be cultivated by people and should represent the company's identity. Consistency is the key to keeping the core values alive, this will create the framework for the organizational culture.

Organizational Culture

Culture Management Tools

Culture includes the mission, vision, values, principles, and practices that underlie the social network of a company. It permeates its actions and connects stakeholders to each other, to the company's purpose, people, and processes. In other words, culture can be considered as a way of life of a particular group of people at a particular time.

> *"Culture eats strategy for breakfast."*
>
> *– Peter Drucker*

The challenge for growing your organization, particularly if you're moving from startup to scale, is staying true to your vision while adapting to change(Dvorak et al, 2021). And this can be accomplished by working side by side with the managers since they will pass on the organizational culture to their employees. Therefore, implementing these three culture management tools (Connors&Smith,2012) can provide clear direction to the entire organization about what culture looks like and what everyone should do, and keep doing to create the new culture.

- **Feedback**: Providing useful information regarding team performance.
- **Storytelling**: Sharing daily how the team live their cultural beliefs.
- **Recognition**: Recognizing employees who stand by these cultural beliefs.

Copyright © via GründerAtelier GmbH I All rights reserved.

"Employees and teams who most align with their company culture consistently perform higher on internal performance metrics than those who least align" (Gallup,2018). For this reason, leaders must enhance their culture's assets for long-term sustainability. Gallup has identified 5 drivers of organizational culture that can guide how employees conduct themselves, make decisions and achieve their work:

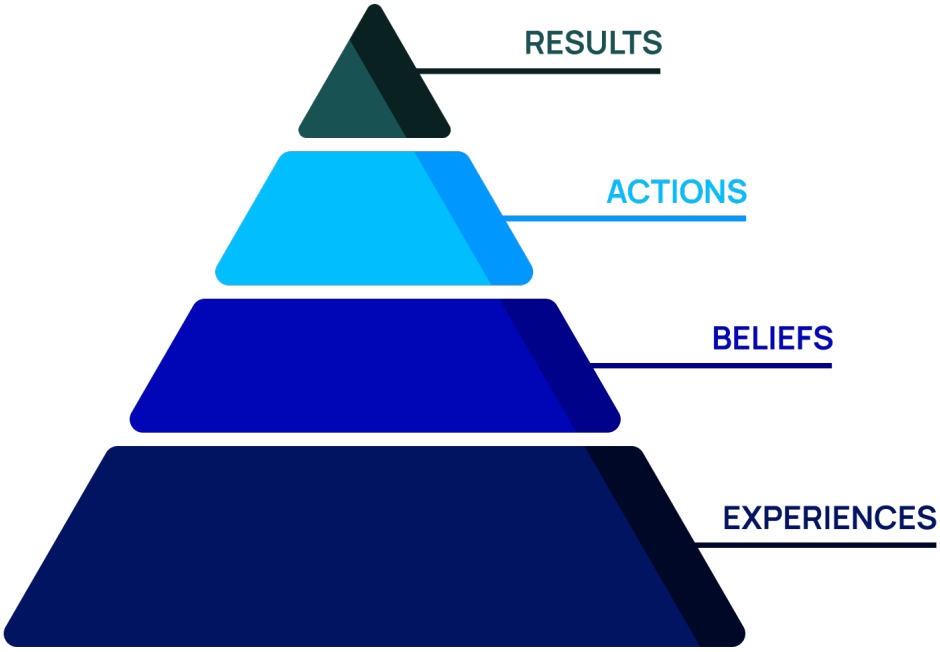
- **Leadership and communication:** Actions always speak louder than words, and the most influential messages are conveyed by leaders' actions.
- **Values and Rituals:** Recognizing work that focuses on specific values communicates an organization's desired identity to employees, fostering a culture set on what matters most to the company.
- **Human Capital**: Organizations must select, engage and develop employees in ways that reinforce the organization's purpose, brand, and culture in a clear and aligned behavior.
- **Work Teams and Structures**: By intentionally crafting a corporate structure with purpose, brand, and culture in mind, leaders can inspire employees to uplift the organization's desired identity.
- **Performance**: Performance management practices must support an organization's purpose, deliver on its brand promise, and reinforce its desired culture.

As leaders or managers in order to achieve superior employee performance, you should live out a clear, consistent, aligned culture. Your company culture must engage your team and inspire high commitment. If the culture struggles at a certain point, you can give an energy boost to the team with recognition (Ratanjee, 2021). The following checklist can help you to evidence the culture's contribution (Dvorak, 2022):

- Challenge your employees to perform at their higher capacity.
- Recognize and reward employees for superior results.
- Have a collaborative environment.
- Encourage honest and clear communication about business challenges and possible solutions.

The company culture will be present daily in every aspect of your organization. From promoting someone or implementing new policies, to interacting in meetings or how to receive feedback. According to Connors&Smith (2012), these experiences encourage beliefs about "how we do things around here" and those beliefs drive people's actions. These actions with few exceptions produce their results.

Copyright © via GründerAtelier GmbH I All rights reserved.



Graphic 3 - Pyramid Results - Actions - Beliefs - Experiences (Connors, R., & Smith, T. , 2012)

Culture is the company's muscle memory that is not based on the way the organization wants to operate, but on the way, it has operated in the past (Ries, 2011). Because of this, culture comes with having processes and accountability, for example, systems, rewards, and incentives that motivate employees' behavior and represent the focus of their attention.

"Only three things happen naturally in organizations: friction, confusion, and underperformance. Everything else requires leadership"

- Peter Drucker

If the organization wants to change the culture, it is important to clarify the key Cultural Beliefs that you need to alter which will help you to accelerate the transition into a new culture (Esiler,2021).

Connors and Smith (2012) suggest a six-step leadership alignment process to ensure adjustments around key decisions with individuals, teams, or the entire organization.

The role of Management

With the Covid-19 pandemic dictating the pace of the last 2.5 working years, the situation not only has effected personal lives but has had a big impact on corporate life as well. With an increase in home office, decentralization of work, and increased difficulty in working together, managers and employees alike face new challenges in their professional lives. With a highly competitive labor market, employees have gained the upper hand in the market for the first time in at least two decades. This trend is especially visible in the US (Dalton et al., 2021). Wages jumped in the three months ending in September by the

Copyright © via GründerAtelier GmbH I All rights reserved.

Graphic 4 - 6-step leadership alignment process (Connors & Smith, 2012)

most on records dating back 20 years, a stark illustration of the growing ability of workers to demand higher pay from companies that are desperate to fill a near-record number of available jobs. Controversially, high-earning mid-career professionals in the tech industry are leaving their jobs, increasing the overall number of vacant jobs in the US alone to a record-breaking number of 10.9 million open jobs at the end of July. It is clearly visible that employees not only value money, flexibility, and other corporate benefits but that increasing focus is directed to the relationship between the employee and the mid-level manager. This is directly shown in a study by McKinsey & Company (Allas et al., 2021). The study shows that job satisfaction is 39% built from interpersonal relationships. These interpersonal relationships consist of 89% of relationships with direct managers. Aligning itself with the famous quote from Peter Drucker (1993) that good employees quit when management is bad, and bad employees quit when management is good.

The goal of this section is to better understand the role of managers and the power they possess to influence the managed workforce.

Copyright © via GründerAtelier GmbH I All rights reserved.

The Role of Middle Management in HR

The role of the interaction and relationship between employees and managers gains increased focus in academic research, as firms across industries face increased pressure from higher employee turnover, which can be observed in more detail in the general introduction. These higher turnovers lead to negative effects on the business, mainly on profits, customer service, training costs, and other important business key performance indicators (KPI).
As management needs to make sure that the firm will develop a sustainable future for itself, they must investigate strategies to understand the reasons for high turnover and should design processes that are reducing this issue. Middle management is not only important for the job satisfaction of the employees, but also for the business unit and simultaneously overall firm performance. This management level is the focus of the study conducted by Friebel et al. (2021). The study zooms in on the actions middle management can take to reduce turnover in their business unit, the long-term effects of the treatment, the effect strength and positive aspects on the overall firm, and the implications for goal setting and formalized contracts to enforce company goals.

The most effective realized actions by the middle management decreased the quit rate between 20 to 25%. This effect then vanishes after nine months, but after sending a reminder to the store managers, the effect shows again with the same strength but a lower duration. The decreased quit rate has no significant effect on the performance KPIs of the single store, mainly measured in sales, and shrinkage, but shows profitability on the overall firm performance, as one person quitting usually induces costs of around €1.470 overall.
The study shows the key role middle management plays in the reduction of personnel turnover, but also reveals the intricacies of goal setting and the daily trade-offs middle managers are experiencing when trying to split up their time between different operational tasks. The paper also opens a discussion about the formal contracts needed or not needed in enforcing norms and company-wide performance goals.

Copyright © via GründerAtelier GmbH I All rights reserved.

References (APA)

Cardona, P., & Rey, C. (2022). *The values of a balanced culture. In Management by Missions* (Pp. 81-94). Palgrave Macmillan, Cham. DOI: 10.1057/9780230598942_6

Connors, R., & Smith, T. (2012). *Change the Culture, Change the Game: The Breakthrough Strategy for Energizing Your Organization and Creating Accountability for Results* (Reprint ed.). Portfolio. 12 ISBN 1101475250, 9781101475256

Dvorak, B. A. N. H. A. J. R. (2022b, February 23). *Can Your Organization Sustain Your Culture as You Scale?* Gallup.Com. Retrieved Apr 15, 2022, from https://www.gallup.com/workplace/353579/organization-sustain-culture-scale.aspx

Eisler, M. (2021b, June 1). *Six Ways Leaders Of High-Performing Teams Create A Feedback Culture.* Forbes. Retrieved May 10, 2022, from https://www.forbes.com/sites/forbescoachescouncil/2021/06/01/six-ways-leaders-of-high-performing-teams-create-a-feedback-culture/?sh=4bd0e55f6f28

Gallup. (2022, May 18). *Successful Leadership: Create a Vision Through Inspiration I Gallup.* Gallup.Com. Retrieved May 24, 2022, from https://www.gallup.com/cliftonstrengths/en/329201/successful-leadership-create-vision-through-inspiration.aspx

Gallup. (2018). *Gallup's Approach to Culture Building a Culture That Drives Performance. Gallup's Approach to Culture Building a Culture That Drives Performance.* Retrieved Mar 22, 2022, from https://www.gallup.com/workplace/354842/organizational-culture-paper.aspx?thank-you-report-form=1

Groscurth, B. C. (2021, November 20). *Why Your Company Must Be Mission-Driven.* Gallup.Com. Retrieved Apr 28, 2022, from https://www.gallup.com/workplace/236537/why-company-mission-driven.aspx

Humphreys, J. (2004). *The vision thing. MIT Sloan Management Review,* 45(4), 96. The Vision Thing (mit.edu)

Keon, T. L., & Barnard, C. I. (1986). *The Functions of the Executive. The Academy of Management Review*, 11(2), 456. https://doi.org/10.2307/258476

London, M., & Smither, J. W. (2002). Feedback orientation, feedback culture, and the longitudinal performance management process. *Human Resource Management Review*, 12(1), 81-100. https://doi.org/10.1016/S1053-4822(01)00043-2

Panel®, E. (2022, May 23). *11 Ways To Align Company Goals With Business Development Efforts.* Forbes. Retrieved May 26, 2022, from https://www.forbes.com/sites/forbesbusinessdevelopmentcouncil/2022/05/20/11-ways-to-align-company-goals-with-business-development-efforts/?sh=2197ab5a75f8

Ries, E. (2011). *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses* (English Edition) (1st ed.). Currency. ISBN: 9788423429196

Riani, A. (2020, May 27). *How To Set SMART Startup Goals At The Idea Stage.* Forbes. Retrieved July 6, 2022, from https://www.forbes.com/sites/abdoriani/2020/05/26/how-to-set-smart-startup-goals-at-the-idea-stage/

Ros, M., Schwartz, S. H., & Surkiss, S. (1999). Basic individual values, work values, and the meaning of work. *Applied psychology*, 48(1), 49-71. DOI:10.1080/026999499377664

Schiemann, W. A. (2009). Aligning performance management with organizational strategy, values, and goals. *Performance management: Putting research into action*, Pp.45-87. ISBN 978-0-470-19232-0

Succesful Leadership: Create a vision through inspiration. (2021). Gallup. Retrieved Feb 9 , 2022, from Https://Www.Gallup.Com/Cliftonstrengths/En/329201/Successful-Leadership-Create-Vision-through-Inspiration.Aspx.

Williams, L. S. (2008). THE MISSION STATEMENT. *Journal of business communication*, 45(2). https://doi.org/10.1177/0021943607313989

Copyright © via GründerAtelier GmbH I All rights reserved.

4. Attract and recruit

Introduction

> *"If we weren't still hiring great people and pushing ahead at full speed, it would be easy to fall behind and become a mediocre company" - Bill Gates on the importance of recruiting*

As Bill Gates illustrates with this sentence, recruiting the right people in a resourceful and efficient way is one of the biggest challenges of growing a company.

Setting up the recruitment process

Setting up a recruiting process that fits the overall company goals, the scaling needs and the financial and human resources inside the company should be considered the first step to achieving success in recruiting. We are splitting the recruitment process into four chronological steps that we will take a look at.

Firstly, a company must establish its overall recruitment objectives. Some companies will look for different characteristics and hard skills than others. Maybe working together with freelancers suits one company better than another one. So, setting up the recruiting process will give direction to the overall establishment of the company's recruiting structure. As the second step, a holistic recruitment strategy must be developed. Questions like how many operational recruiting steps there should be, is there the need for the applicants to solve a challenge between interviews, how much free budget is there to invest into job advertisements, what is the number of recruiters working on the project or the desired time-to-hire must be answered here. Not only is this step critical for the operational recruiting activities, but also the final step of the KPI tracking throughout the various recruitment phases.

After the first two steps are completed, the operational part of the recruitment process can start. Here, what we have discussed previously will be brought to life by the HR and management team. We will touch here on the important concepts of operational recruiting but will go more into detail about the key takeaways in the following sections as well. The final step of the recruitment process is the evaluation and tracking of the objectives and the development of a strategy. With the strategic collection of data throughout the recruitment process, data-based changes and decisions can be made to further increase the effectiveness of the overall process.

So, how do you take this strategic approach to HR? We list some of the most important topics to think about – if you take your time to do this on a management level, there is no choice then for HR to work strategically. At the same time, people working in HR on a management level will have better connections to the overall company goals as well.

Copyright © via GründerAtelier GmbH I All rights reserved.

Establishing the Recruitment Objectives

In a world where HR is often seen as a strictly operational part of business, the need for a strategic approach to Human Resources is bigger than ever. Often terms like “back office”, “support” or even “internal consultancy” are used for the HR department which undermines the strategic importance HR can have in an organization (Holbeche, 2001). As Ulrich (1998) states: “The successful organizations will be those that can quickly turn strategy into action: to manage processes intelligently and efficiently: to maximize employee contribution and commitment, and to create the conditions for seamless change”.

Graphic 5 - Recruitment objectives

Copyright © via GründerAtelier GmbH I All rights reserved.

Develop the Recruitment Strategy

A strategic approach to the Recruitment Strategy was already formulated in 1990 by Fottler et al. and nowadays is more important than ever in a competitive environment with the increasing speed of change. As a quick overview before we go into detail, this step can be summarized as follows:

- Assessing the organization's environment and mission
- Formulating the organization's business strategy
- Identifying HR requirements based on the business strategy
- Comparing the current HR inventory— in terms of numbers, characteristics, and practices— with future strategic requirements
- Developing an HR strategy based on the differences between the current inventory and future requirements
- Implementing the appropriate HR practices to reinforce the business strategy and attain a competitive advantage

To build up the strategy, these additional questions should be answered as well:

- What recruitment message should be communicated?
- How can the targeted individuals best be reached?
- When should the recruitment campaign begin?
- What should be the nature of a site visit?
- What type of individuals should be targeted? (certain skills, education, experience).

An employer might need to do some research to answer these questions, such as evaluating past efforts to determine what sources of recruitment worked best.

The main reason why these questions should be answered is to build up a consistent recruiting message. This message will help the company attract the right candidates, because of consistent, transparent, and attractive communication (Lee et al., 2017). With these considerations in mind, a company should develop a recruiting message based on the following characteristics.

The **specificity of the content** is essential. Feldman et al. (2006) describe the initial trade-off between a vague information density and a detailed one stated throughout the recruitment process: a vague information density may attract a wide array of initial applicants and will increase the size of the talent pool. But, such recruitment messages may also increase the number of unqualified candidates that still need to be handled, and such recruitment processes may be unappealing to candidates who are highly focused on their job search and strategy. So, for smaller companies with more limited human capital in the HR department, it is recommended to increase the information density throughout the recruiting process. A job posting should include a great level of detail when giving requirements the candi-

Copyright © via GründerAtelier GmbH I All rights reserved.

dates must bring to the table (McLane et al., 2021; Meyer, 2019). So if you talk about the academic background the candidate should have, not only mention the level of education but also give examples of the program's major. When talking about holidays, stating the actual number of days is great, especially when being more worker-friendly than the average. Stating a realistic working schedule is key to being transparent about day-to-day activities, meetings, and tasks.

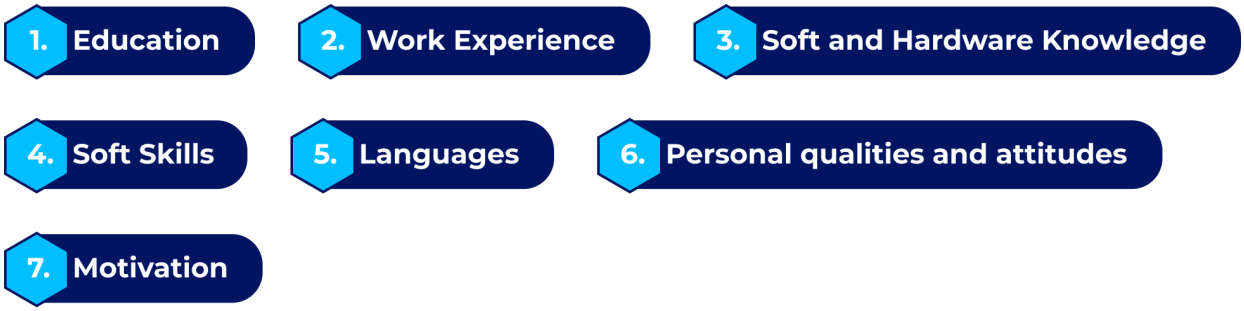
Moreover, the question of what you should talk about is a key one to answer, so think deeply about **the importance of the content**. There is the first overarching consideration of realism about the job specifics. John P. Wanous (1978) set the tone to consider realistic job previews (RJPs) to reduce turnover later on. There is no causal influence of RJP on job performance, but in recent times it has been proven that giving realistic insights into the day-to-day business will reduce lagged turnover and is therefore beneficial to a company overall (Du & Shin, 2016). RJP is an ethical manner to provide realistic expectations and ethically required information to applicants, which can ultimately influence the job satisfaction of the hired employee (Bashir & Bashir, 2016). So, including detailed and honest information about job attributes needed, stating organizational information about your culture, work environment, values, advancement opportunities and similar is significant. Oftentimes, personal attributes such as communication, service orientation, collaboration and cooperation, and team capabilities are highly desired, and many entry-level ads request some experience. These expectations should be stated clearly. This will also represent the **realism of the content**, as you will describe the environment and aspects of the position realistically.

It is critical to think not only about what you communicate but also how you communicate the specificity, importance, and realism of the content! That is done with the **message phrasing**. You should try to avoid gender-specific language, so avoid unnecessary usage of male-oriented job descriptions. Wording that might suggest that you are only searching for younger applicants should be avoided as well. There should be phrasing included that proposes an inclusive work environment and an openness to all types of individuals (Fu, 2012). Something like: "Company XY" is an Equal Opportunity Employer. We do not discriminate based on race, religion, color, sex, gender identity, sexual orientation, age, non-disqualifying physical or mental disability, national origin, or any other basis covered by appropriate law. All employment is decided based on qualifications, merit, and business need.

Copyright © via GründerAtelier GmbH I All rights reserved.

Creating the most important documents

After you created the recruiting objectives and the recruiting strategy, you can turn to the operational part of the recruitment process. Here are three critical documents that should be prepared before starting the official recruiting process and carrying out the operations. In this section, you will learn to build up these documents, and we will talk about the other important steps in ensuring an effective and efficient operational recruitment process.



Graphic 6 - Levels of requirements for hiring

Drafting your recruiting requirements (RER)

To better understand and contextualize the recruitment objective and strategy, it is critical to creating one RER document per open vacancy. This will lead you to think about the requirements and responsibilities your hire must fulfill to satisfy the recruiting needs. This document not only helps the assessment of candidates, but it will also allow you to paint a clear picture of the role of every person you interview. Furthermore, an RER document can act as a basis for personnel development. Throughout the creation of this document, you must think about the future of the specific role, what responsibilities and tasks will come towards the person down the road and what kind of skills will be required to tackle these tasks. Ultimately, the document will not only be used for recruiting, but it will also be a roadmap for every person within your organization.
Consequently, the document should be split into two particular sections.

Requirements

You need to think about the seven specific levels of requirements shown in the graphic above.

For the requirements, it makes sense to split the seven levels into top requirements and bonus requirements that are nice to have but not a necessity to fulfill the job and offer great value to your company. But how do you set these requirements? As a founder, you will most likely do this in cooperation with your department and team leads. It is crucial to take this step seriously, and have well-defined details about each one of the seven levels.

Copyright © via GründerAtelier GmbH I All rights reserved.

Responsibilities

As candidates need to know where the journey within your company will take them, the defined responsibilities not only act as some facts to talk about in the interviewing process but also as a personal mission statement for the specific job. The responsibilities can be split into three specific parts to go from immediate responsibilities to the long-term vision for the particular role. A lot of research points out that there must be multi-periodic planning to develop your own talents (Moheb-Alizadeh & Handfield, 2017). As talent development is critical for any company to succeed, especially when your company is young and cannot just buy in already fully developed employees, this RER document can be your first step in the direction of personnel development and performance management (Conger, 2014). So, which are the three different steps to build up the long-term vision?

1. Short-term responsibilities
   - Here you will note down all the responsibilities the new employee will take over after the initial onboarding period. This must be defined in detail, as the first specific to-dos for the new employee will be created out of these ideas and responsibilities. But the creation of to-dos should not stop here. Today's business environment is becoming increasingly dynamic, and the concept of agility, planning, and development is of utmost importance for longer-term talent development (Harsch & Festing, 2019). Therefore, the next logical step is to create medium-term responsibilities.

2. Medium-term responsibilities
   - What will the employee do after the first year of being in your organization? This is the guiding question for the medium-term responsibilities. Here, you will start to do more strategic HR planning and develop a personnel development strategy. Remember, you want to develop your own talent, so you should have a plan in mind. This is not only great for the candidate to hear in the interviewing process but allows you to create a specific step-by-step roadmap for the future employee. This roadmap usually is strongly aligned with your overall business strategy.
3. Long-term mission
   - People need a mission to be the most productive version of themselves and to feel aligned with the company. This is frequently taken care of by the mission statement of your company and the effective communication of this statement (Hackley, 1998). However, you can take this to the next level and create a personal mission for every employee to give them a long-term purpose (Chang et al., 2022). For this reason, you should create long-term responsibilities that will not only give insights into

Copyright © via GründerAtelier GmbH I All rights reserved.

the long-term HR strategy but will also act as an anchor point to your future employees and what they could develop into.

Drafting of the job advertisement

After the establishment of the recruiting strategy, and the RER document, you are ready to create your job ad. Your job descriptions should be treated like a marketing or sales document. They have to be informative, dynamic, and easy to find, all while attracting the right people. Before we dive into the details of a job description, we want to highlight some critical properties that need to be considered. Of course, your aim is to market the opportunity your company provides, and you intend to sound like a great match for potential candidates. However, you should also stay true to yourself, be transparent, and be realistic about the benefits, and opportunities you provide. Nonetheless, how do you write a great job advertisement? Eight sections should be included.

Even before putting pen to paper to write a job description, ask yourself three questions: What current and future business needs would this role directly solve? Where else in the organization can this role have an impact? What core competencies will make this individual successful?

The job title

As more repetitive tasks — such as data entry and transcription — are streamlined via technology, professionals will have more time to interact with or collaborate with people outside their departments. Increased connectivity between departments can lead to employees becoming more productive while delivering work outputs that are more accurate, dynamic, and of higher quality. With a wider variety of tasks, job titles should also be redefined. They should be broad enough to cover a wide range of tasks, but they should be specific enough to give a general understanding of the role and tasks associated with the title. You can also explain the title for the job later on in the description and mention more specific titles that the potential employee will wear as different hats throughout his/hers time at your company. For example, the role of “Customer Service Representative” could be converted to “Voice of the Customer Lead”. The different hats worn throughout the employment could be Customer Advocate, People Manager, Data Analyst, Marketer, Department Head or Forecaster.

Introduction to your company

Starting with an introduction to your company is a great start to already give a lot of information, state your mission and highlight the unique aspects of yourself as an attractive employer. Describe your services short and precisely, and enlighten the work the future employee will do. Highlight collaboration partners for the employee, and the general structure of work. As the internet has made us accus-

Copyright © via GründerAtelier GmbH I All rights reserved.

tomed to reading short snippets of text (Abang Yusof, 2021), try to be as precise and direct as possible.

Job mission

A nice and modern addition to job advertisements is job missions. This should just be a one or two-paragraph summary of the RER responsibilities and long-term mission. This section will highlight why the specific role is of crucial importance to your company and how this position will help to boost future business success. Here, you can also clearly state which kind of person you are looking for. Just mention a couple of important soft skills and the preferred professional background of the candidate.

The responsibilities

This is the time to heavily rely on your RER document. To sum it up in a couple of sentences. Mention the most indispensable bullet points from the short- and medium-term responsibilities, while still giving insights into the long-term mission for the role. The split between the three aspects should be 50:30:20. Ramhit (2019) found that the closer the mentioned responsibilities are to the actual responsibilities and tasks, the higher the job satisfaction of your employees.

The requirements

The second part of the RER document will be on display here. Mention the most significant requirements for the position. Make the requirements specific enough, as done for the RER document, so that possible applicants can get an understanding of the skills required, but also set them broad enough so that a sufficient number of people actually can apply.

The benefits

Now is the time to shine! If your company provides modern benefits like the possibility to work from home, having the financial support to create a nice home office, special company events or other unique benefits, mention them here! Do not forget to mention the long-term development goals for the position and align them with the general business strategy. If you plan to expand your business, mention it here. If there is a structured personnel development plan in place, of course, highlight it.

Application necessities

Do not forget to mention the necessary documents candidates should send while applying for the position. If you only require a CV, great. If you want to know more about the candidates and would like to see past employment recommendations or transcripts of records, please mention them in this section. Similar to all the other sections, the tighter you define it, the smaller your funnel of possible candidates will become. So choose wisely and only mention the documents you need.

Copyright © via GründerAtelier GmbH I All rights reserved.

Diversity statement

A diversity statement makes it clear to everyone that you are thinking about diversity and equity. This will be critical in the screening process and later on in the benefits that will make your company more attractive. A diversity statement should sound something like this:

Our company is an Equal Opportunity Employer. We do not discriminate based on race, religion, color, sex, gender identity, sexual orientation, age, non-disqualifying physical or mental disability, national origin, or any other basis covered by appropriate law. All employment is decided based on qualifications, merit, and business need.

Your operational start to successful recruiting

The war for talent has been transformed by the new realities of global competition and shifting demographics and technologies. In this new world, where employees are no longer loyal to any one company, organizations need to compete harder than ever to attract the brightest and best candidates in an increasingly competitive global market. With your detailed recruiting objectives and strategy, the well-defined RER document and the engaging job advertisement, you are now ready to find the right talent for your organization.

After you published your job ad on the chosen recruiting channels, it comes time to do work on the operational side of the recruitment process. After receiving applicants, the initial step is to screen for the right candidates to interview. The interviewing process, in this case with three steps to it, comes next. As speed is one of the key aspects of building a great candidate experience, decision-making comes immediately after the interviewing process. We will run you through all three steps to give you all the tools you will need to hire the right talents.

Screening

In the past, talent screening relied on factors such as experience, knowledge, performance, and judgment ability. These screening criteria are no longer sufficient because

Copyright © via GründerAtelier GmbH I All rights reserved.

in this knowledge economy, fast-moving and diverse business environment, there are many more factors you must consider before inviting someone to a first interview (Zhang, 2022). One of the most important things to keep in mind is objective decision-making when it comes to inviting candidates. There are some underlying heuristics and biases that can influence your decision-making without you even noticing them!

The big question now is: How can you combine screening factors with debiasing tactics and objective screening methods? In the following paragraphs, we explain how you can easily implement one debiasing tactic, and find two processes for objective screening. This will lead you to a controlled screening process that is based on skill, experience and expertise, and diversity instead of biases.

One of the most severe biases in the HR world is the similar-to-me effect. This effect is a cognitive bias that explains our tendency to prefer people who look and think like us. We have an affinity for everything we are familiar with, which is why this bias is known as affinity bias. While connecting with people you know well may seem harmless theoretically, the effect can lead to unfair consequences when applied to recruiting practices, workplace promotions, and tolerance for differences.

Luckily, there are some debiasing tactics that are simple to understand, follow and implement. In one study on the illusion of transparency, researchers found that people who were informed of this bias before giving a public talk appeared more composed and gave a better talk than those who were not told about it (Savitsky & Gilovich, 2003). The illusion of transparency is a cognitive bias that causes people to believe that their thoughts and emotions are more apparent to others than is the case. This bias means that people tend to think that others can tell if they're feeling nervous or anxious, even if this is usually not the case (Hu & Yang, 2009).

So, just by building awareness of a specific bias, you can manage to reduce its effect. Moreover, even in cases where awareness of a bias doesn't trim it directly, it can still help the person who is being debiased realize what the issue is, and

Copyright © via GründerAtelier GmbH I All rights reserved.

why debiasing is important in this case. But how can you apply this knowledge to your recruiting efforts?

To say it in simple terms: self-control. After you started screening applicants and finished with the initial screening process, make sure to take a look at the candidates you have chosen to proceed with. Are they similar to your academic background? Do they have the same professional experience as you? Did they graduate from the same university, come from the same state or country, or do they have similar interests to you? If you revisit the profiles of the chosen candidates and answer the questions with yes, you should reconsider screening again and focus on diversity, skills, and experience.

For this check of objective information, you need fast and efficient data tracking and objective ways to display candidate data. The way you view information can affect the way you process it. Modifying the way the information is presented, by providing it using an easy-to-understand replication instead of just a numerical description, can lead to more objectivity in the screening process (Fagerlin et al., 2005).

For this to work, you need to gather objective information and require a way of displaying this information not only in numeric descriptions but also with visual representations of that information. The next section "Applicant tracking" will focus on this point. The point about objective data and information will also be revisited during the interviewing process to underline the importance of objectivity.

Applicant tracking

You should track the relevant information about your candidates with a so-called applicant tracking system (ATS). There are many sophisticated software applications out there to take over this job. In the first phases of building up your organization and structures, a spreadsheet is also sufficient.
This tracking system is a great way to display objective information about each candidate, tracking KPIs and having a structured recruiting process, which ultimately will improve candidate satisfaction as well (Mondy et al., 2004).

It is important to track in which interviewing stage each candidate currently is located, note down essential and objective data about the candidate, and find all relevant info in one place. Try to keep the spreadsheet as slim as possible.

Due to the possible high number of applications, we advise you to only add the names of the candidates who have been contacted by you for a first interview, whether they respond or not. Anybody who is reached out to goes on the spreadsheet. Make sure to add all interview date(s) as you schedule them. Only add the university name if the applicant comes from a University Platform. If they come from LinkedIn or any other source, there should be a field to track the recruiting channels. You should also include an objective rating of each candidate

Copyright © via GründerAtelier GmbH I All rights reserved.

after every interviewing step. We get into the ratings in the next section, but they will allow you to assess and analyze your best recruiting channels and focus efforts on them in the future (Gilmore & Williams, 2009).

We have talked a bit about the next step, interviewing candidates, before. The next section will focus on this operational task by splitting it up into setting up each step of the interview process, preparing for the interview and tracking all the relevant information.

Interviewing

Interviewing is an integral part of the HR process. This needs to be as structured as possible, as research found that the more structured the overall HR process and the interviewing steps, the higher the financial performance of a firm (Sánchez-Marín et al., 2017). So, structuring the interviewing process will not only lead to higher candidate satisfaction but will also improve the profitability of your company.

A structured interviewing process is one of the cornerstones of developing quality human resources (Dekker et al., 2012), and should be taken care of in a strategic, objective and responsive way. It is a challenge to create a structured, yet fast and responsive interviewing process. That is precisely why we advise you not to overcomplicate the whole process to hire the best talent.

Preparing for the interview

Preparation is key – not only for your business development but also for the interviewing process. You already laid the foundation with the RER documents and the other important hiring documents, now comes the operational part of the interview process. We will focus on preparing for interviews.

In recruitment, a cross-cultural knowledge base is vital as the demand for international talent poses escalating challenges to effectively attracting desirable applicants (Ma & Allen, 2009). A company's values influence many factors, including the company's mission, employee behavior, and key business decisions. Most companies prefer to hire candidates who share their ethics and values so that they can help the company achieve its core goals. To ensure that your potential employees share the same values as the company defined, you should ask candidates value-based questions.

Having a list of potential questions to ask will give your preparation the edge needed and will allow you to make informed decisions about continuing or ending the process with a candidate. There are generally eight spheres for value-based questions. In the following paragraphs, these spheres are listed, and exemplary interview questions are stated as well for you to use.

Copyright © via GründerAtelier GmbH I All rights reserved.

1. Compassion and empathy

Companies prefer to hire employees who are compassionate and empathetic to others in the workplace. The attitude of employees to show empathy towards a colleague or a customer can make them key assets to any team. As collaboration is more important than ever, you should test this value with some of the following questions:

i. Tell me about a time when you knew someone who did not feel great at the workplace. How did you handle the situation?
ii. How would you react when one of your colleagues cannot bring forward ideas in a meeting?

2. Trustworthiness

Employees need to be able to rely on honesty, keep commitments and demonstrate good follow-through. Trustworthiness is a key value for a successfully running business (Krosgaard et al., 2002), so with the following questions, you should check for trustworthiness in the employee:

i. Why do you think being trustworthy is an important quality to have?
ii. Tell me about a time when you faced an ethical dilemma in the workplace, and how you reacted to the situation?

3. Teamwork

Skills such as compromising, accepting criticism and negotiating can help make a great team. Most positions require employees to cooperate and collaborate with others on at least some of their job responsibilities. Great teamwork skills will lead to better management of critical business situations (Detlefs et al., 2022). Asking questions about the possibility of great teamwork will make the assessment of this skill easier:

i. Describe a time when you had to persuade a coworker or manager?
ii. How do you manage to work alongside a challenging colleague?

4. Accountability

Being accountable means taking responsibility for your words, actions, and mistakes. Employees need this trait to show a willingness to admit when something is going wrong or take ownership of important tasks.

i. Why should people take responsibility for the things they do wrong?
ii. Tell me about a time when you made a mistake in the workplace and how you corrected it.

5. Quality

Especially when starting out, quality of work is essential to have. Prioritizing quality means that employees care about putting effort into their responsibilities, projects, and tasks.

i. Tell me about a time when a colleague was not maintain-

Copyright © via GründerAtelier GmbH I All rights reserved.

ing quality. What did you do?
   ii. Why is attention to detail and accuracy critical to upholding in a job?

6. Leadership

The first hires you will make need leadership skills. Your team will be a smaller one, so people should be able to take a critical position in the future. This can increase staff productivity and ensure the team meets their goals.

   i. Tell me about a time when you successfully led a team.
   ii. What are the traits that make you an excellent leader?

7. Innovation

Creative skills and innovative ideas will be essential skills for your team to have. These are critical assets in an employee for a range of companies, particularly startup companies focusing on sales.

   i. Are there any new ideas you have introduced to a previous workplace? What are they?
   ii. What are some products on the market that you consider the most innovative, and why?

8. Social and environmental responsibility

Social and environmental responsibility is becoming a more important value to have in the workplace. Nearly all companies want to hire employees that value these important topics as well. You can easily test for these values in an interview with the following two questions:

   i. How can our company be more socially and environmentally responsible?
   ii. In what ways have you demonstrated social and environmental responsibility?

These questions will not only structure your interviews but will open up interesting conversations, where it will be easy to assess candidates and build relationships. After preparing for the interviews, it is now time to set up every step of the interviewing process. The next section will give you all the critical insides to know.

Setting up the interviews

Typically, we advise having three main recruiting and interviewing stages. This allows you to make informed decisions, while still being fast and proactive for all of your applicants. As the job market heated up in the last few years (Jeong, 2019), it is essential to be quick in the interviewing process. And remember one thing: a candidate will be the same person after the third and the tenth interviewing round.

The **first stage is an HR interview**, where you will screen for motivation, soft skills, interests in your company, communication style, and role fit. This interview will bring you first insights into each candidate while not breaking a 30-minute time frame. So, what are the main pillars to focus on in this interview? Try to bring out the value

Copyright © via GründerAtelier GmbH I All rights reserved.

of the candidate. Ask many questions about how the candidate reasons and builds relationships with others, and create a trade-off between being challenging and at the same time making the candidate comfortable with the situation. If there are any points not clear to you about the candidate's prior work experience or CV, of course, ask challenging questions! But do not forget that the interview is an initial get-to-know each other, so you also need to pitch your company, the vision, and mission, and the main responsibilities and development opportunities the position offers. This interview typically is conducted by your HR professional or another person besides you as the founder.

To have everything checked before the first interview, let yourself be guided by this short checklist:

- ☐ **Do you already have the CV & other relevant info from the candidate?**
- ☐ **Is the candidate added to the ATS?**
- ☐ **Is the interview date added to the ATS?**
- ☐ **Did you send an interview invite confirmation?**
- ☐ **Did you prepare additional specific questions about the candidate?**
- ☐ **Did you look at the recent employers of the candidate?**
- ☐ **Did you take a closer look at one specific role for the candidate?**

The **second interview step should be a creative & analytical challenge** provided by you and that the applicant needs to work on. This is usually a slide deck with two to three specific questions and tasks, that are relevant to the specific position and are giving insights into the day-to-day business. This is not only a great tool to test every candidate that passed the initial interview, but this will also allow you to debias your hiring and objectify your screening process. Because every candidate for a specific position will receive the same challenge, the results can be compared on a solely objective level and a decision can be made in an unbiased manner (Garman & Lesowitz, 2005). You should give enough information so that a candidate can tackle the task, and you also need to set a challenging timeline in which the challenge should be taken care of. At the end of this interviewing step, you can assess the professional quality of each candidate in an unbiased manner, which should be included in the ATS with an overall rating as well.

When creating these challenges, please consider the following checklist:

- ☐ Do you provide enough information about the task?
- ☐ Is this task challenging enough, and will it provide good information about the professional qualifications of a candidate?
- ☐ Is the timeline challenging, but not too short?
- ☐ Is the presentation in a nice visual-layout so that it is appealing to the candidate?

Copyright © via GründerAtelier GmbH I All rights reserved.

- ☐ Can the challenge be done by a person just having access to a laptop/PC and the internet – hence, no subscription to a website or software service should give an unfair advantage to the candidate.
- ☐ The challenge or the business case should not be one of the real-world problems you are currently facing.

Remember, this challenge is a great way of indirectly communicating more information about your company, the employee experience and the daily business. Therefore, this document needs to be drafted in the highest quality possible, as digital information can be a decisive factor for candidates, especially in this digital era (Kerrigan et al., 2021).

The **third and final step in the interviewing process is a management or founder interview.** As HR should be viewed as a strategic part of any organization it is essential that in the early stages of an organization and even in SMEs, the management actively participates in the operational HR tasks (Bell, 2013). To directly start building up the relationship between your future employees and the management team, the final interview should be conducted either by you or a person out of your management team.
This interview will be challenging on the technical level but will be the final test to assess the company and the cultural fit between the company and the candidate.
Because of this, the checklist for the interview will be different from the other interviews before:

- ☐ **Did you prepare challenging technical questions about the handed-in challenge of the candidate?**
- ☐ **Did you prepare questions that test the cultural fit of the candidate?**
- ☐ **Is everything clarified about prior work experience, or do you need to ask more questions related to the CV?**
- ☐ **Did you already think about a frame for the salary of the person and other benefits, so that you are prepared for any questions in that direction?**
- ☐ **Did you check in with the person who conducted the first interview to create questions and ask about specific topics mentioned in the challenge and the candidate's CV?**
- ☐ **Is the ATS updated with all the newest information before the final interview?**

Having this three-step process will contribute to making quick and quality hires and also contributes to the structure of your human resource system. This system and the structured and strategic approach can give you a competitive edge over your competitors and can create outperformance potential for your company to beat your competition (Jiang et al., 2021).
After every interview is conducted, you should track all the information

Copyright © via GründerAtelier GmbH I All rights reserved.

retrieved throughout every step of the interview process. The next section will focus on the tracking of information to make an informed decision about your next employee.

Tracking of information

You already prepared and conducted the first interviews, but how do you track and collect all the information you just received from the applicant?

You already have the ATS to give you a great overview of all the candidates and what the overall process looks like. Nonetheless, you also need to track info about every interview conducted. A simple document will do the trick here. Here, you should write down the most important takeaways from the interview, and rough summaries of all the answers to your questions. The structure is totally up to you.

However, we do want to highlight one thing that you should consider. After every section of information is tracked, you should insert a scale from either 1 to 5 or 1 to 6 to rate the quality of the answers. We have talked about debiasing and objectifying the screening and hiring process. Inserting these section ratings, and at the end of the interview tracking document, an overall rating that should be inserted in the ATS as well will be of great help.

Recruitment KPI Tracking & Evaluation

When aligned with corporate goals and strategy, recruitment proves to have an impeccable business impact. The benefits of effective recruiting go far beyond finding a qualified fit for your company and include an increase in profitability, higher performance, improved productivity and reduced attrition. When looking into improving your recruitment strategies, it is also important to acknowledge that having effective talent sourcing and selection processes in place can avert high turnover rates. There are numerous KPIs to track, we just want to present and define 9 of the most indispensable numbers to track.
After defining your KPIs to track, make sure to adapt and look at them after every position is filled. Only then it will be possible for you to improve the recruiting strategy and focus on the most essential areas to improve.

Making the recruitment process attractive

Speed

Ambitious companies are in a race to hire top talent who will increase growth and revenue. However, they aren't just racing against each other, they are also racing against speed: the speed of the market, the speed of candidates' expectations, the speed of change.

So, what are the actual benefits of a speedy hiring process?

1. **Speed means fewer dropouts of in-demand candidates.** Again,

Copyright © via GründerAtelier GmbH I All rights reserved.

if your hiring process is slow, top candidates will drop out of the running. Sullivan says “in-demand candidates are the first to drop out or ghost in frustration.”

2. **Slow hiring means only the average remains.** Once your top performers drop out of the running, you only have the lower-performing talent to choose from.

3. **Fast decision-making attracts the best.** The best talent sees fast hiring as a reflection of your corporate culture. Top candidates decide quickly. Faster hiring decisions mean that your offer is the first to be available for acceptance.

11 Recruitment KPIs to Track in 2022

Benchmarks vary by industry, but these KPIs will provide valuable data on the effectiveness of your recruiting efforts.

Graphic 7 - 9 recruitment KPIs to track in 2022

Copyright © via GründerAtelier GmbH I All rights reserved.

4. **Fast hiring reduces candidate bidding.** If you make an offer before the candidate is bid on, then the salary cost will be lowered. This allows you to afford higher quality talent. If you wait too long, the candidate may receive a better offer from your competition, resulting in a bidding war, thus increasing the salary cost. These anchoring effects are a precise determinant of monetary costs (Chui et al., 2022).

To increase the speed of your overall recruiting process, the first thing we intend to mention is not to have too many interviewing stages. Not only will you screen out a couple of candidates after every step, which is a good thing! But with increasing the steps a candidate takes, you will also miss out on good candidates because they will feel that the process takes too long overall.

Secondly, we advise you to create one to two HR meetings every week, where you and your co-founders, the management team or your HR professionals come together and discuss the candidates that were being interviewed simultaneously. This automatically will speed up the process and make sure that your organization makes hiring decisions fast and responsibly.

Transparency

Companies should go the extra mile to show that they're committed to finding the best talent for their job openings. This way they can keep their reputation of being a good place to work while also maintaining their ethical reputation. One of the ways many companies are trying to improve ethics is by treating candidates fairly, which includes not being dishonest or misleading during interviews. Applicants must understand the process that companies go through when hiring new employees and the time-consuming nature involved (Goretzko & Israel, 2022). Many companies are also transparent about their interview process by providing information on their websites and other company documentation.

There is a high level of competition among companies to find the best candidates for available jobs, which is why honesty and transparency in the hiring process are essential. We just want to highlight three great and easy-to-implement tactics of how to improve transparency and honesty, therefore creating a nicer candidate experience.

Recruiting roadmap

Building up a visual representation of your recruiting process is probably one of the most transparent ways of informing candidates about your process. It is a simple way of highlighting the most indispensable steps a candidate will take before being hired. Including this roadmap on your website, in a candidate presentation or even on social media will instantly improve transparency.

Recruiting presentation

Copyright © via GründerAtelier GmbH I All rights reserved.

Even before the first round of interviews, you should provide clients with a lot of information about your company. This can be done with a company presentation, tailored to your recruiting efforts. This presentation should be a sales pitch, but still give honest, and transparent information about your company, the team and the day-to-day business.

Timeline

Closely related to the recruiting roadmap, it is essential to talk about the next steps at the end of every interview round. Of course, these next steps should be based on the roadmap, but here you can provide way more information. Highlighting the amount of time you will need to take to come to a decision with your team, or quickly giving an introduction to the person the candidate will have the next interview with, may seem minor, but these easy-to-implement information sources can greatly improve transparency and decrease anxiety for your candidates.

Feedback Culture

Feedback is defined as a dynamic communication process occurring between two individuals that convey information regarding the receiver's performance in the accomplishment of work-related tasks (A. Baker et al., 2013). Research clearly indicates that monitoring and evaluating human performance is a fundamental aspect of ensuring a successful organization (N. Baker, 2010).

Initially, we highlight some of the biggest benefits of implementing a company-wide feedback culture.

- An Officevibe research (2022) found that companies that implement regular employee feedback have a 14.9% lower employee turnover rate compared to peer companies within the same industry
- An article published by Forbes (2018) mentions that 66% of employees are likely to leave a job if they don't feel appreciated, with the number being even higher (76%) for millennials
- In response to a survey conducted by Globoforce and SHRM (Moore, 2019), 89% of the surveyed HR leaders said that ongoing peer feedback and check-ins have a positive impact on their organizations.

But how can you use the benefits of feedback culture during the recruiting process? To put it simply, if a candidate asks for feedback regarding any step of the interview process, provide it with detail. Just remember, when you give someone feedback, you're not trying to put them down or simply tell them off. You either want to praise something they've done well or explain how they could've done something better. Either way, the goal is for them to perform at their best. Here, you have two transparent and direct ways of giving feedback to a candidate to help them improve their performance in the future.

Copyright © via GründerAtelier GmbH I All rights reserved.

1. Extensive e-mail: if a candidate does not make it through the first two rounds of the interview process, and then asks for feedback, an e-mail will do. Candidates really appreciate constructive feedback that can be incorporated into their further job hunting. What does this feedback look like? If you felt like the candidate lacked a particular technical skill, provide the person with a digital resource, where that skill can be learned. This does not need to be a paid certification, it is really about the thought that counts.

2. Short video or phone call: if one of the candidates does not make it through the final round of interviews, it is a nice personal touch to call them if they ask for feedback. Here, you can praise their performance, but you can also immediately give them feedback and suggestions for future improvements. A call like this only needs to last around 15 minutes. Nonetheless, this personal touch is a great way of encouragement and the perfect way of empowering candidates to apply in the future as well.

Recruiting trends in 2022

Generation Z

To obtain the strategic advantage of modern recruitment methods, it is necessary to tap into the next generation of talent. When it comes to cultivating an organizational culture driven by data and digital optimization, Generation Z, which grew up with digital information at its fingertips, appears as a desirable candidate pool. Influenced by massive shifts in the world, this post-millennial generation of rising workforce is highly adaptive to constant changes in the business landscape. While it might be impossible to precisely predict all the challenges, opportunities, and needs the future might impose on companies, navigating change is the key capability. To adapt to new markets, demands, and innovations, organizations will have to rely on talent that is flexible, connected, collaborative, and accomplishment-motivated. When it comes to maximizing these qualities to adapt to an ever-changing business environment, the digital natives of the new generation play a crucial role. Thus, to attract this target generational group, organizations need to understand Gen Z's motivations, attitudes, and preferences.

Emphasizing diversity as an asset

Political shifts, and changes in education, among other social changes, have formed Gen Z into a highly, if not the most, diverse generation. Represented by the leading edge of

Copyright © via GründerAtelier GmbH I All rights reserved.

the world's changing ethnic and ethic makeup, needless to say, that diversity is of immense value to this group. According to Glassdoor's Diversity and Inclusion Workplace Survey, 67% of employees and job seekers expressed that a diverse workforce is an important factor when evaluating companies and job offers (2021). To showcase a genuine commitment to diversity, equity, and inclusion (DEI) practices, companies could integrate employee resource groups (ERGs), employee video testimonials, or establish a position of a Chief Diversity Officer (Ruby, 2021). Promoting workplace DEI comes with tangible benefits that correlate with better financial performance, allow capturing new markets and dominating industries with innovation. As reported by McKinsey's research, companies with diverse teams outperform industry norms by 35% (Hunt et al., 2021).

Opportunities for advancement over monetary incentive

Having lived through the Great Recession and witnessed the strains of financial setbacks on older generations, Gen Z is motivated by job security and stability. However, in the case of this generation, financial stability alone is not likely to drive high employee engagement. On a mission to gain valuable career experience, even if it is in the form of an unpaid internship or volunteering, Gen Zs track down opportunities to acquire new skills and experience. A survey by EY Ripples (2021) shows that the majority of Gen Z express a preference for greater exposure to real-life work (59%) and professional mentorship (57%). At the same time, 61% of Millennial and Gen Z workers reported benefiting from leadership development support in organizations with mentorship programs in place.

Graphic 8 - Top criteria Generation Z look for in a Job (EY Ripples, 2021)

Personal fulfillment over brand prestige

Although 87% of Gen Z believe in the importance of building personal and professional brands online, they are twice as likely to pursue a perfect-fit job at a previously unfamiliar company over a less-ideal position somewhere more renowned and prestigious (Tallo's Gen Z Survey, 2019). Heavily influenced by technological innovation, Generation Z put significant effort into building their brands, and expect potential employers to evaluate their online personas. However, when it comes to prioritizing a recruiting company's offer, for Gen Z, the role trumps the brand, as they tend to emphasize the value of the position over the company's name.

Copyright © via GründerAtelier GmbH I All rights reserved.

The human touch in workplace communication

Despite having emerged into the digital development space, Gen Z's agility in absorbing information quickly and responding to new challenges with an innovative mindset does not replace the need for interpersonal interactions. Over 70% of Gen Z employees prefer to communicate face to face at work (CGK, 2018) and 60% want more feedback (Jenkins, 2021). So, even with the growing automation of jobs and the prevalence of technology, real-life communication remains essential for the generation of digital natives.

Social Recruiting

Today's workforce combines multiple generations of digital natives, which creates a need for a strong social recruiting strategy. Commonly referred to as social hiring or social media recruiting, this novel concept of sourcing talent takes the regular processes of job advertising, recruiting and connecting with the candidates to social media platforms. Ranking ahead of ads, employee referrals and even job boards, 92% of employers have reported social and professional networks as their prevalent means of recruiting talent.

With the major transformations of the job market, social recruiting serves as a powerful employer brand tool that increases the effectiveness of recruiting efforts. To utilize this tool to their advantage, modern organizations first need to acknowledge what actual benefits social recruiting can offer.

Reaching passive candidates

While nearly 40 million people search for jobs on LinkedIn each week, job boards and ads might only be effective when trying to attract active job searchers. At the same time, many great candidates might be inactive on those channels, as they are content with their current employment. To extend the pool of potential candidates, companies can rely on social recruiting to attract both active and passive leads by maximizing their brand reach on various sites.

Increasing the effectiveness of overall recruiting efforts

The growing popularity of digitalization inevitably leaves traditional recruiting strategies behind, as they appear to be time-consuming and costly. Boosting your social recruiting strategy can contribute to the returns from every other recruiting activity your company undertakes. In the process of taking over outdated recruitment, social recruiting cost-effectively complements traditional methods.

Increasing retention rates

Linked to the efforts within the employer brand scope, social recruiting allows to both attract new talent, and also provides a spotlight for the existing employees, making them feel more valued and likely to remain with the company long-term. By building

Copyright © via GründerAtelier GmbH I All rights reserved.

a more holistic presence on social networks, and showcasing the strides made in growing your diverse talent, there is a stronger appeal for the employees to stay loyal to your brand, as it creates trust, credibility, and pride.

The effortless shift in messaging to address changing needs

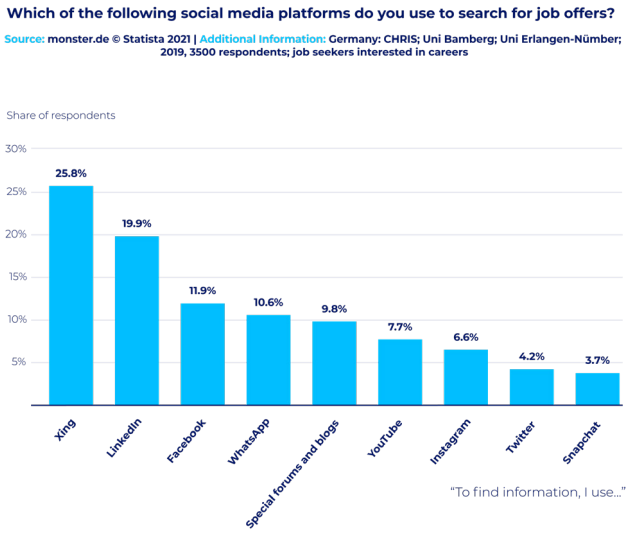
Social media creates more flexibility to meet the new priorities of your business. It can be used to reinforce positive storytelling to drive up engagement with your brand, as well as to effectively fill up suddenly opened vacancies by increasing the volume of job posts.

Having all these advantages in mind, the following question should be about how to implement social recruiting in your recruiting strategy. To avoid getting tangled up in a variety of platforms, the successful path to implementing effective social recruiting should start with clear goals.

Identifying the right channels

Instead of simultaneously engaging with the candidates on multiple social networks, a more strategic approach would be to employ several recruitment tactics, based on the appropriate social media channels. For instance, LinkedIn provides additional information on the potential candidate's background and relevant experience. Monitoring Facebook and Twitter provides a glimpse into the individual's interests and values, which consequently allows assessing how well that candidate would fit into your company's culture. Meanwhile, channels like YouTube, TikTok, and Instagram should be prioritized when doing job promotions with relevant hashtags and posts reflecting on what it is like working for your company.

Equally important is the understanding of the demographics that you target with your talent acquisition efforts. For instance, the following graphic shows the usage of social media platforms for job searches in Germany (Statista, 2019). Despite the widespread popularity of LinkedIn for social network penetration, almost 26% of Germany's job seekers resort to Xing. In this particular case, it is indispensable to recognize that while LinkedIn is an international platform, Xing appears to be a more effective channel when targeting German-speaking countries.



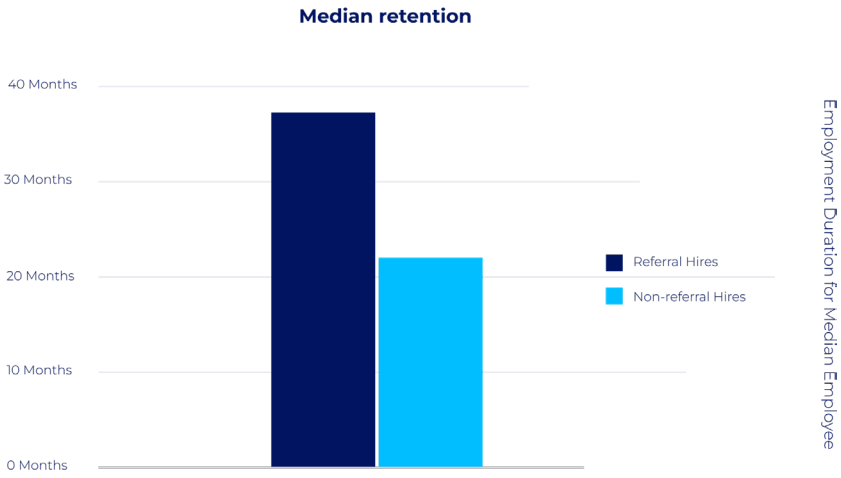
Graphic 9 - Social media platforms used to search for job offers (Statista, 2019)

Employee advocacy and referral programs

An effective commitment of your staff

Copyright © via GründerAtelier GmbH I All rights reserved.

not only allows you to tap into their extended network but ensures that it is conveyed in a more personal and engaging way than regular advertising. The candidates are also likely to be more receptive to a vacancy invitation that they receive from their personal connections, which significantly increases the chances of them acting on the opportunity. It was estimated that between 2020 and 2021, the percentage of workers likely to click on a job opportunity posted by someone within their social network rose from 74% to 82%. The benefits of employee referrals fueled by social networks do not end there, as the programs also impact retention. The likelihood of the potential candidates adjusting to the company and ultimately succeeding in the new position is similarly improved by having familiar people in the organization. When calculating the median employment duration, it was found that referral hires stay 70% longer than non-referral hires (iCIMS, 2018).



Graphic 10 - Median Retention for referral hires (iCIMS, 2018)

Besides higher engagement levels and increased employment duration, social recruiting through employee advocacy contributes to the retention of your existing employees. The rate is strengthened due to factors such as better integration of new team members with the staff, closer alignment with the company's culture, and overall boosted employee satisfaction.

Employer Branding

According to Lievens, Van Hoye and Anseel (2007) organiza-

Copyright © via GründerAtelier GmbH I All rights reserved.

tional image is very closely related to applicant attractiveness to the organization and organizational identification. A study by Khalid and Tariq (2015) shows that the attractiveness of the organization is predicted by employer image, employer branding and employer familiarity, and employer reputation. Lievens and Highhouse (2003) find that the symbolic trait conclusion of organizations has added value over and above active job and organizational attributes like pay or other increments in explaining a company's perceived attractiveness as an employer. So, it is visible that a great recruitment strategy needs to reflect the overall brand of the company and define a strong employer brand. The stronger the employer brand, the easier the hiring of new employees and the cheaper the process will be.

Retention problems, lack of diversity, desire for remote work and growing need for purpose are only a few factors among the diverse challenges underlying talent acquisition. To establish a competitive advantage despite these changes in the job market, creating a strong employer brand is one of the best ways to showcase your company as an attractive option for potential job seekers and current employees.

People Analytics

Graphic 11 - People Analytics

When it comes to the shift towards digital agility in business practices, HR does not appear as an exception. As more and more companies blend human and technological capabilities, Human Resources gain more critical and dynamic functions. To ensure that HR serves as a strategic advantage to the business, companies must integrate cutting-edge trends in digitalization concerning their HR operating model. The

Copyright © via GründerAtelier GmbH I All rights reserved.

future role of Human Resources can be reinvented through the implementation of advanced people analytics.

Previously minimized solely to operational functions of HR, people analytics and data literacy are now taking up a transformational role, when it comes to driving business value. Understanding how data insights are generated and applied to identify the target audience and prioritize business problems has enormous potential in solving various organizational challenges. As a result, the transformation of HR has inclined companies to invest in technology that leverages data effectively. People analytics directly links talent data to business value by deriving statistical insights to make the right decision about people, further improving business outcomes (Negi Dixit, 2021).

Recognized for changing the way of attracting and retaining talent, LinkedIn listed people analytics among the top four in their global talent trends of 2020. This tendency can only be expected to prevail in the following years since there is a growing demand for information about employee satisfaction, means of retention, as well as productivity and engagement drivers. By leveraging advanced analytics influence on organization-wide performance, McKinsey&-Company (2021) reported an 80% increase in recruiting efficiency, a 50% decrease in attrition rates and a 25% rise in overall business productivity, among other substantial improvements in KPIs.

- With HR's newly acknowledged role of a trusted advisor that leverages talent to deliver consistency, agile behavior and deep knowledge of the business, the growth of people analytics as an essential business discipline is inevitable. Although implementing advanced analytics into the development of data-driven organizational culture is an extensive process (as it implies the integration of advanced software, AI and ML), 69% of organizations involved in the Hackett Group's study reported being encouraged to tackle this persistent challenge (2021). Under the scope of leveraging talent as a source of competitive advantage, people analytics can impact all key stakeholders by utilizing the relevant data and derived insights to drive revenue.

Copyright © via GründerAtelier GmbH I All rights reserved.

References (APA)

Abang Yusof, D. A. (2021). Reading Habits Among Students in the Digital Era. *Journal of Academic Library Management (AcLiM),* 1(1), 43–54. https://doi.org/10.24191/aclim.v1i1.5

Baker, A., Perreault, D., Reid, A., & Blanchard, C. M. (2013). Feedback and organizations: Feedback is good, feedback-friendly culture is better. *Canadian Psychology/Psychologie Canadienne,* 54(4), 260–268. https://doi.org/10.1037/a0034691

Baker, N. (2010). Employee feedback technologies in the human performance system. *Human Resource Development International, 13*(4), 477–485. https://doi.org/10.1080/13678868.2010.501994

Bashir, S., & Bashir, N. A. (2016). Effects of the Realistic Job Previews on Employees Job Satisfaction and Met Expectations. *International Journal of Business and Management, 11*(4), 219. https://doi.org/10.5539/ijbm.v11n4p219

Bell, G. (2013). HR at the heart of SME performance: an interview with Dr Jill Miller, Research Adviser, CIPD. *Human Resource Management International Digest, 21*(5), 43–45. https://doi.org/10.1108/hrmid-05-2013-0046

Chang, E., Lee, J. W., & Chin, H. (2022). Employees striving for innovation in social enterprises: The roles of social mission and commitment‐based human resource management. *Business Ethics, the Environment & Responsibility.* https://doi.org/10.1111/beer.12437

Chui, P. M., Fong, L. H. N., Ren, J., & Tam, L. H. (2022). Anchoring effects in repeated auctions of homogeneous objects: Evidence from Macao. *Journal of Economic Psychology, 90*, 102514. https://doi.org/10.1016/j.joep.2022.102514

Conger, J. A. (2014). Addressing the organizational barriers to developing global leadership talent. *Organizational Dynamics, 43*(3), 198–204. https://doi.org/10.1016/j.orgdyn.2014.08.006

Dekker, J. C., Lybaert, N., Steijvers, T., Depaire, B., & Mercken, R. (2012). Family Firm Types Based on the Professionalization Construct. *Family Business Review, 26*(1), 81–99. https://doi.org/10.1177/0894486512445614

Detlefs, S. E., Goffman, D., Buttle, R. A., Crump, C. M., Thornburg, L. L., Foley, M. R., & Deering, S. (2022). Correlation between medical management and teamwork in multidisciplinary high-fidelity obstetrics simulations. *American Journal of Obstetrics & Gynecology MFM, 4*(4), 100626. https://doi.org/10.1016/j.ajogmf.2022.100626

Du, Y. H., & Shin, S. Y. (2016). Realistic Job Previews and turnover intention. *Journal of Human Resource Management Research, 23*(4), 101–117. https://doi.org/10.14396/jhrmr.2016.23.4.101

Fagerlin, A., Wang, C., & Ubel, P. A. (2005). Reducing the Influence of Anecdotal Reasoning on People's Health Care Decisions: Is a Picture Worth a Thousand Statistics? *Medical Decision Making, 25*(4), 398–405. https://doi.org/10.1177/0272989x05278931

Feldman, D. C., Bearden, W. O., & Hardesty, D. M. (2006). VARYING THE CONTENT OF JOB ADVERTISEMENTS: The Effects of Message Specificity. *Journal of Advertising, 35*(1), 123–141. https://doi.org/10.2753/joa0091-3367350108

Fu, X. (2012). The use of interactional metadiscourse in job postings. *Discourse Studies, 14*(4), 399–417. https://doi.org/10.1177/1461445612450373

Garman, A. N., & Lesowitz, T. (2005). Research update: Interviewing candidates for leadership roles. *Consulting Psychology Journal: Practice and Research, 57*(4), 266–273. https://doi.org/10.1037/1065-9293.57.4.266

Gilmore, S., & Williams, S. (2009). *Human Resource Management.* Oxford University Press.

Glassdoor Career Advice Experts. (2020, September 30). *Glassdoor's Diversity and Inclusion Workplace Survey - Glassdoor Blog.* Glassdoor. Retrieved May 25, 2022, from https://www.glassdoor.com/blog/glassdoors-diversity-and-inclusion-workplace-survey/

Copyright © via GründerAtelier GmbH I All rights reserved.

Goretzko, D., & Israel, L. S. F. (2022). Pitfalls of Machine Learning-Based Personnel Selection. *Journal of Personnel Psychology, 21*(1), 37–47. https://doi.org/10.1027/1866-5888/a000287

Hackley, C. (1998). Mission statements as corporate communications: the consequences of social constructionism. *Corporate Communications: An International Journal, 3*(3), 92–98. https://doi.org/10.1108/eb046557

Harris, N. (2020, December 15). *The HR Agenda for 2021*. The Hackett Group. Retrieved May 2, 2022, from https://www.thehackettgroup.com/blog/the-hr-agenda-for-2021/#

Harsch, K., & Festing, M. (2019). Dynamic talent management capabilities and organizational agility—A qualitative exploration. *Human Resource Management, 59*(1), 43–61. https://doi.org/10.1002/hrm.21972

Hu, J. S., & Yang, L. Z. (2009). Illusion of Transparency between Individuals of High and Low Self-Monitoring. *Acta Psychologica Sinica, 41*(1), 79–85. https://doi.org/10.3724/sp.j.1041.2009.00079

Human Capital Online. (2021, January 1). *How People Analytics Is Transforming HR*. Retrieved May 25, 2022, from https://humancapitalonline.com/Learning-&-Development/details/2319/how-people-analytics-is-transforming-hr

Hunt, V., Layton, D., & Prince, S. (2021, March 12). *Why diversity matters*. McKinsey & Company. Retrieved May 25, 2022, from https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/why-diversity-matters?cid=app

Jenkins, R. (2021, January 5). *This Is How Generation Z Will Communicate at Work*. Inc.Com. Retrieved May 25, 2022, from https://www.inc.com/ryan-jenkins/72-percent-of-generation-z-want-this-communication-at-work.html

Jeong, D. (2019). Job market signaling with imperfect competition among employers. *International Journal of Game Theory, 48*(4), 1139–1167. https://doi.org/10.1007/s00182-019-00685-1

Jiang, K., Takeuchi, R., & Jia, Y. (2021). Taking peers into account: Adoption and effects of high-investment human resource systems. J*ournal of Applied Psychology, 106*(10), 1539–1556. https://doi.org/10.1037/apl0000836

Kerrigan, T. P., Jeong, C. Y., Pannu, S., Yen, S. P., & Rooney, T. B. (2021). Increasing Applicant Engagement During the 2020–2021 Virtual Residency Interview Cycle and Beyond: The Dartmouth-Hitchcock Radiology Residency Video Project. *Academic Radiology*. https://doi.org/10.1016/j.acra.2021.11.002

Krosgaard, M. A., Brodt, S. E., & Whitener, E. M. (2002). Trust in the face of conflict: The role of managerial trustworthy behavior and organizational context. *Journal of Applied Psychology, 87*(2), 312–319. https://doi.org/10.1037/0021-9010.87.2.312

Lewis, N. (2021, April 5). *Analytics, Digital Transformation Will Shape HR Post-Pandemic*. SHRM. Retrieved April 28, 2022, from https://www.shrm.org/resourcesandtools/hr-topics/technology/pages/analytics-digital-transformation-will-shape-hr-post-pandemic.aspx

Lievens, F., & Highhouse, S. (2003). THE RELATION OF INSTRUMENTAL and SYMBOLIC ATTRIBUTES TO A COMPANY'S ATTRACTIVENESS AS AN EMPLOYER. *Personnel Psychology, 56*(1), 75–102. https://doi.org/10.1111/j.1744-6570.2003.tb00144.x

Lievens, F., van Hoye, G., & Anseel, F. (2007). Organizational Identity and Employer Image: Towards a Unifying Framework. *British Journal of Management, 18*(s1), S45–S59. https://doi.org/10.1111/j.1467-8551.2007.00525.x

Lipman, V. & Forbes. (2018, June 25). *66% Of Employees Would Quit If They Feel Unappreciated.* Forbes. Retrieved May 11, 2022, from https://www.forbes.com/sites/victorlipman/2017/04/15/66-of-employees-would-quit-if-they-feel-unappreciated/?sh=3b5ed60c6897

Ma, R., & Allen, D. G. (2009). Recruiting across cultures: A value-based model of recruitment. *Human Resource Management Review, 19(*4), 334–346. https://doi.org/10.1016/j.hrmr.2009.03.001

Copyright © via GründerAtelier GmbH I All rights reserved.

McKinsey & Company. (2021). *People Analytics.* Retrieved May 25, 2022, from https://www.mckinsey.com/solutions/org-solutions/overview/people-analytics

McLane, T. M., Hoyt, R., Hodge, C., Weinfurter, E., Reardon, E. E., & Monsen, K. A. (2021). What Industry Wants: An Empirical Analysis of Health Informatics Job Postings. *Applied Clinical Informatics, 12*(02), 285–292. https://doi.org/10.1055/s-0041-1726423

Meyer, M. A. (2019). Healthcare data scientist qualifications, skills, and job focus: a content analysis of job postings. *Journal of the American Medical Informatics Association, 26*(5), 383–391. https://doi.org/10.1093/jamia/ocy181

Moheb-Alizadeh, H., & Handfield, R. (2017). Developing Talent from a Supply–Demand Perspective: An Optimization Model for Managers. *Logistics,* 1(1), 5. https://doi.org/10.3390/logistics1010005

Mondy, W. R., Noe, R. M., & R. Wayne Mondy. (2004). *Human Resource Management*. Prentice Hall.

Moore, B. (2019, July 31). *SHRM/Globoforce Survey Reveals Human-Centered Approaches in the Workplace Help Organizations Better Recruit and Retain Employees*. Workhuman. Retrieved May 11, 2022, from https://www.workhuman.com/press-releases/globoforce-shrm-human/

Officevibe. (2022, April 16). *Statistics on the importance of employee feedback.* Retrieved May 11, 2022, from https://officevibe.com/blog/infographic-employee-feedback

Parikh, N. (2022, April 14). *Emerging HR Trends For 2022 And Beyond.* Forbes. Retrieved May 25, 2022, from https://www.forbes.com/sites/forbeshumanresourcescouncil/2022/01/19/emerging-hr-trends-for-2022-and-beyond/?sh=20e1d4863140

Perna, M. C. (2020, October 13). *Recruiting Top Gen-Z Talent In A Post-Pandemic World.* Forbes. Retrieved May 14, 2022, from https://www.forbes.com/sites/markcperna/2020/10/14/recruiting-top-gen-z-talent-in-a-post-pandemic-world/?sh=721af6ab7db6

Petrie, S. (2022, January 11). *Survey Says: 6 Things You Need to Know When Recruiting Generation Z.* Tallo. Retrieved May 17, 2022, from https://tallo.com/blog/6-things-to-know-when-recruiting-generation-z/

Ramhit, K. S. (2019). The impact of job description and career prospect on job satisfaction: A quantitative study in Mauritius. *SA Journal of Human Resource Management, 17*. https://doi.org/10.4102/sajhrm.v17i0.1092

Ruby, A. (2021, September 14). *Attracting Gen Z Employees: 7 Ways to Attract the Next Generation of Talent*. iCIMS. Retrieved May 25, 2022, from https://www.icims.com/blog/attracting-gen-z-text-recruiting-branding-and-social-media/

Sánchez-Marín, G., Meroño-Cerdán, N. L., & Carrasco-Hernández, A. J. (2017). Formalized HR practices and firm performance: an empirical comparison of family and non-family firms. *The International Journal of Human Resource Management, 30*(7), 1084–1110. https://doi.org/10.1080/09585192.2017.1289547

Savitsky, K., & Gilovich, T. (2003). The illusion of transparency and the alleviation of speech anxiety. *Journal of Experimental Social Psychology, 39*(6), 618–625. https://doi.org/10.1016/s0022-1031(03)00056-8

The Center of Generational Kinetics. (2020, April 15). *Generation Z Research – State of Gen Z 2018* –. Retrieved May 12, 2022, from https://genhq.com/generation-z-research-2018/

Wanous, J. P. (1978). REALISTIC JOB PREVIEWS: CAN A PROCEDURE TO REDUCE TURNOVER ALSO INFLUENCE THE RELATIONSHIP BETWEEN ABILITIES AND PERFORMANCE? *Personnel Psychology, 31*(2), 249–258. https://doi.org/10.1111/j.1744-6570.1978.tb00444.x

Zhang, C. (2022). Evaluation and analysis of human resource management mode and its talent screening factors based on decision tree algorithm. *The Journal of Supercomputing*. https://doi.org/10.1007/s11227-022-04499-z

Copyright © via GründerAtelier GmbH I All rights reserved.

5. Onboarding

Onboarding introduction

Making the starting period memorable to your new employees should be the main goal of the onboarding phase, and it's a goal that needs to be achieved from the recruitment period. "Now more than ever, employees want employers to acknowledge their humanity. They want to be treated like a person—not a number in a pile of resumes" (Barber,2022). Because of this, onboarding should not be organized as a one or two-week guidance but instead, a year program will help your new hires feel engaged to make their best performance. New hires that have a positive experience will then be more likely to contribute to business goals and remain with their new employer (Brandon Hall Group,2015.pg 18). If employers enhance a strong onboarding process, they will improve new hire retention by 82% and productivity by over 70%" (Gallup,2022).
Every company ideally would like to improve their retention and productivity, therefore creating a welcoming culture will create huge benefits for everyone.

Cultural Diversity

We are living in an age shaped by a shortage of skilled workers. Today, potential employees are paying more attention than ever to the services and benefits offered by future employers. According to a study conducted by Kienbaum consultants, criteria such as a "collegial working atmosphere" and "measures to ensure a good work/life balance" are, in fact, more decisive than good remuneration and job security when choosing an employer.
As such, employers can no longer afford to offer merely minimal benefits such as flexible time management and occasional team events. Rather they also need to create working conditions that boost employee health and cohesion in the long term. A practised welcoming culture helps new employees settle into their roles, especially if they come from other cultural backgrounds. This not only promotes uncomplicated teamwork but also improves employee loyalty to the company.

The issue of cultural diversity is now firmly on company agendas. More than half of all companies in Germany employ staff with a migration background. Companies benefit financially from this diversity if they strive to ensure good integration. To this end, shared values are the foundations for strong cohesion within a company. Good social connections work to further employee health. That is also why it is so important to actively support diversity and overcome obstacles such as unconscious biases.

At TK, we want to work with companies on this journey and support them in creating and fostering enriching and diverse corporate cultures.

Copyright © via GründerAtelier GmbH I All rights reserved.

Why did we create a welcoming culture eGuide?

Every cultural background brings with it its unique perspective. As such, an international workforce increases the overall creative potential and is thus a bonus for any company. However, this potential can only be unleashed if the welcoming culture is indeed welcoming and if every new employee is well integrated into the existing corporate culture. This process demands a lot from everyone in the team, especially when very different personal and cultural beliefs come together.
And this is precisely where this welcoming culture guide comes into effect. Here you will find ideas and solutions for the typical challenges presented by diversity. The guide also offers professional support for analysing your specific corporate situation as well as practical advice to establish a sustainable and successful welcoming culture. Please note this guide and other links on the website are currently only available in German. *Click here* for an insight into the welcoming culture eGuide.
Click here to register for the eGuide.

The "Vielfalt gewinnt" [Championing diversity] brochure
We want to help companies create and foster an enriching welcoming culture. Our brochure "*Vielfalt gewinnt [Championing diversity] – From the welcoming culture to cultural diversity management*" offers background information and practical tips on cultural diversity in German.

The challenges faced by inpatriates

To recognise the potential risks posed by cultural differences in teams, it is worth looking at the difficulties faced by newcomers, also known as inpatriates. In a study conducted in 2021, more than 12,000 inpatriates from 174 nations were asked about their challenges. (*internations.org/expat-insider/*)
The possible concerns of inpatriates may, for example, include high living costs, the distance from home and family, language barriers, the fear of having just a few social contacts and long-term financial disadvantages as a result of migration. Companies can tackle these issues as early as the recruiting and onboarding phases and, in turn, ease the start in the new country. Even after commencing work, inpatriates continue to face new challenges:

1. problems finding friends
2. lack of ties to the local culture
3. lack of social contacts and free-time activities
4. poor work/life balance
5. lack of job security

The struggle to find new friends is the top issue. According to the study, loneliness is the most frequent reason for returning home. Moreover, inpatriates do not feel close to the culture in the new country due to the lack of social contacts in the new setting. A poor work/life balance and job insecurity are among the work-related worries. Companies can counter these concerns by, for example, engaging

Copyright © via GründerAtelier GmbH I All rights reserved.

in regular exchanges and ensuring transparency and setting clear rules as regards work and free time. And in terms of social contacts, too, employers can make a difference. For example, they can offer language courses which help inpatriates to forge new contacts and reduce language barriers. Cooperations with local amenities and associations as well as internal and external networks can be beneficial. Companies can also offer internal activities aimed at highlighting common ground and encouraging exchange.

Operational Onboarding

We must accurately set up all the logistics in order to achieve a successful onboarding, Moreover, it is important to keep track of the 3 E's: Experience, Engagement, and Enablement. According to Singh (2022), "prioritizing the three E's during the onboarding program makes it powerful and meaningful".

> *Experience: Starting to build good relationships with new employees.*
>
> *Engagement: Displaying care, inclusion, and encouraging ownership.*
>
> *Enablement: Setting effective inputs to success in the new role.*

You should keep in mind that completing a functioning onboarding process is not the easiest thing to do, but is the most appropriate journey for the company and the new employees. Take into consideration that "The first days and weeks in a new job is when an employee is most open to learning, but also most concerned about whether or not they made the right decision on the role and company, to begin with. A fast start can make the new hire feel like they are set up for success." (Chim, 2022).

Offering an excellent employee experience is something that companies should work on ,i.e. Providing honest and direct communication, sharing enthusiasm through emails, calls and every touchpoint with your new employee.

Tasks before the start date

1. **Organize internal and external information**

If your new team member will work remotely, it's necessary to deliver the proper equipment within a welcome box in advance. A company-branded box helps your new employee to feel more comfortable and welcomed to the team. Little things make a big difference, it can be a coffee mug or some laptop accessories. Some companies include a book that reinforces shared values.

The new employee should be aware of the 1st day's agenda. The calendar invites can be sent to her or his personal email address. But most importantly, HR needs to make sure that every team meeting is accepted by the new employee and check if there are any doubts or questions before the arrival.

Copyright © via GründerAtelier GmbH I All rights reserved.

As already mentioned, you have to offer an extraordinary experience to all employees. The HR person in charge shall communicate to the former team about the new colleague by sharing the relevant basic information like name, position and starting date.

2. Scheduling and IT Settings

The weekly status, team building activities, and daily reunions with your specific team, mentor and HR should be scheduled from the first day. There are different ways to automatize team calendars and group the emails under specific topics. Regardless of the IT system, the person in charge has to give access to the company cloud, create the email address and send invites to join the communication tools like GSuite, Microsoft Teams, Slack, etc.

The first weeks

The first days will reflect everything that has been communicated in the previous weeks. The main goal is to make the first days memorable, by welcoming your new team member.

Company Overview & Culture:
Founders

Job Responsibilities & Expectations:
Team Lead

Mentorship:
Mentor or Onboarding Buddy

Employee Experience:
HR

During the first weeks, the new colleagues should have more frequent 1:1 meetings, and an onboarding buddy assigned to ensure their experience is positive and productive. Microsoft piloted a buddy program with 600 employees, they found that onboarding buddies give support to the hires in these 3 key ways:

1. Providing context
2. Promoting productivity
3. Enhancing employee satisfaction

Microsoft lessons learned were as follows:

1. Reassigning the buddy workload.
2. Establishing a time-bound partnership.
3. Reporting to the same manager's hire.
4. Communicating the benefits to train management and leadership skills.

Another team engaging initiative is to schedule a 30-minute meeting with each team member during the first week to get to know each other in a relaxed and informal way. This is a great opportunity not only to understand the colleagues' main activities but also how they are going to work together, what their main duties are and to meet the person itself behind the role.

The more quality time your company invests during these first few weeks, the more engaged employees will be. "Engaged employees are more at-

Copyright © via GründerAtelier GmbH I All rights reserved.

tentive and vigilant. They look out for the needs of their coworkers and the overall enterprise because they personally 'own' the result of their work and that of the organization." (Jim Harter Ph.D.,2013).

Summing up, here are all the onboarding steps explained above, this checklist should be adjusted from time to time

- ☐ **Step 0:** Create the contracts, NDA, health insurance, etc.
- ☐ **Step 1:** Announce the new arrival in advance with the team and share the excitement!
- ☐ **Step 2:** Send calendar invites for every company meeting.
- ☐ **Step 3:** Add the new employee to communication channels.
- ☐ **Step 4:** Welcome the new team member and make their first day memorable.
- ☐ **Step 5:** Invite the team to schedule a quick personal meeting to get to know each other.
- ☐ **Step 6:** Schedule Company Overview, Company Culture, and HR reunion.
- ☐ **Step 7:** Assign a mentor for them or an onboarding buddy if applicable.
- ☐ **Step 8:** Schedule 1:1 meetings and feedback reunions with the

Legal Onboarding

What is the purpose of social security?

A social security system is in place in Germany. This system serves to protect and support those who find themselves in a position in which they are unable to help themselves (e.g. illness or unemployment).

This works thanks to the principle of solidarity: all those subject to mandatory insurance pay a share each month of their income like social security contributions for health insurance, long-term care insurance, pension insurance and unemployment insurance.
These contributions are used to pay for the benefits and services of those who are entitled and require support. This support ranges from unemployment benefits to medical treatment and nursing care.
Important: Employers calculate the contributions for their employees and pay these to the health insurance funds.

Health offerings and start-ups: a good fit?

The two are, in fact, a great fit. Ultimately, everyone benefits from customised health offerings for start-ups: the company can set itself apart as an employer and staff can benefit from the individual offerings. Regardless of how big a company is, the issue of health is growing in relevance.

Copyright © via GründerAtelier GmbH I All rights reserved.

Virtually all statutory health insurance funds offer interesting cooperations aimed at supporting companies of all sizes in terms of health.
Looking after employee health equates to increased employee satisfaction. Moreover, such measures have a positive impact on sick days and fluctuation. Health offerings also enable start-ups to present themselves as attractive potential employers by providing employees with good and expedient benefits. After all, when choosing an employer, highly trained specialists focus more closely on specific benefits, including health offerings, than on remuneration.

What role does TK play here?

As a statutory health insurance fund, one of our mandates is to serve the health of employees. When a company cooperates with us, we can tailor our measures to the specific needs of that company. Furthermore, we have a network of suitable partners and boast the relevant know-how. When companies choose to work with us, they can entrust us with complete organisation and implementation.

I want to employ staff but do not have any HR experts. Who can help me?

There is a lot to sort out when taking on new employees. This takes up time which could probably be better used to develop the start-up. It is also easy to lose track of things, especially if there are no HR professionals and the start-up has to handle the paperwork itself.
This is where we come in! We can help you with the registration process, advise you on the various disadvantages and advantages of employment relationships, apply for pension and social insurance numbers and help you scale the bureaucracy mountain.

TK Services

TK-WelcomeGuide & TK-WelcomeService

We are committed to making the start of working life for new employees in Germany as easy as possible. To this end, we have created the **TK-WelcomeGuide** and the **TK-WelcomeService** for the first few months in Germany. Both offerings are, of course, free of charge.

TK-WelcomeService

The TK-WelcomeService supports new professionals for the first 12 months following their arrival in Germany to make this initial period here as pleasant as possible. Our English-speaking Welcome Team is on hand to answer all your questions regarding social security. For example, we help to find doctors' practices in which the language of the new professional is spoken.

TK-WelcomeGuide

The TK-WelcomeGuide accompanies new professionals for over three months with regular e-mails, starting from the moment they apply to be-

Copyright © via GründerAtelier GmbH I All rights reserved.

come a member. During their initial membership, the TK-WelcomeGuide provides new insurees with newsletters, information, to-do lists and benefits.

How to register your first employee

Registering new employees

When recruiting staff for the first time and calculating their salaries, you need to be aware of several things:

- First of all, you need a company number for the company. This can be requested from the *company number service from the Bundesagentur für Arbeit [Federal Employment Agency].* You can then use this to register with one of the approved payroll accounting programs.
- The employee's social security registration is completed with the first payslip. This must be done at the latest six weeks after starting employment. If immediate notifications are required as the company operates in the building or hospitality sector, this notification has to be transmitted immediately, i.e., on the day on which employment begins.
- Contribution records must reach the competent health insurance fund by the fifth-last bank working day of each month. That sounds complicated, but, is not. At *tk-lex.tk.de/events* we have provided a calendar showing the most important deadlines for the submission of contribution records. These dates should be observed to avoid estimates which might lead to additional costs.
- Should an employee not have a German pension insurance number, this can be applied to the registration mask of the payroll accounting program. Upon allocation, this number is automatically saved in the system. The employee is then automatic ally sent a social security card from the German Statutory Pension Insurance Scheme - it could not be simpler!
- All those who are employed in a company are also covered by statutory accident insurance. This means new employees have to be registered here too.

What information do I need from new employees?

When employing new staff, certain information is required of them. In addition to personal data such as name, address, telephone number, bank details and German pension insurance number, details on insurance status and the tax ID are also necessary.

Don't forget a thing thanks to our checklist

Since remembering everything can be quite difficult, we have created a handy *checklist* for use when employing new staff for whom social insur-

Copyright © via GründerAtelier GmbH I All rights reserved.

ance is mandatory. Use this list to ensure that all the necessary documents have been submitted. **Good to know:** This checklist can also be used when recruiting students and mini-jobbers.

Questionnaires for newly employed temporary staff, students and interns

Before hiring temporary staff or students, employers and employees should fill in our questionnaire. Some of the questions are addressed to the employer, and others to the new employee. The questionnaire contains all the necessary information for the company or the tax office to assess whether social security is compulsory. Also remember that when employers hire students or interns, they should always ask for a current certificate of enrollment.

- Click here for the sample questionnaire for *employing students and interns*. This questionnaire is currently only available in German.
- Click here for the sample questionnaire for *employing temporary help.* This questionnaire is currently only available in German.

FAQ

Do new employees have to demonstrate that they are insured with a health insurance fund with a certificate of membership?

In the past, employees had to present a certificate of membership from their health insurance fund to their new employer. Today this is no longer necessary. The health insurance fund is notified that its member has a new employer when the employer submits the regular social security notifications to the health insurance fund.

How do I transfer my employees' data to the health insurance fund?

In order to transmit the employee data to the health insurance funds in a secure and encrypted way, you need either a payroll accounting program suitable for this purpose or a "completion aid" such as the application sv.net.

What is sv.net?

sv.net is a German-language application which has been created to help companies make notifications on social security to health insurance funds in the simplest and safest way possible. The program was initially developed by ITSG (German IT service body for statutory health insurance funds) primarily for smaller companies. However, today it is also used by larger companies.
Employee data can be transmitted to the relevant health insurance funds, regardless of which health insurance fund the employee is a member of, via sv.net. This means notifications can be submitted with sv.net. The application cannot calculate social security contributions for example. A proper payroll accounting program is required for this. sv.net is not a suitable substitute for such a program.

Copyright © via GründerAtelier GmbH I All rights reserved.

If you wish to use sv.net, you will find further information in German at *ITSG* (German IT service body for statutory health insurance funds).

sv.net offers both a fee-based and a free version. The free version has a limited scope but in most cases is more than sufficient for the initial phase. The fee-based version of sv.net only makes sense economically when a company has to frequently make lots of notifications via sv.net. You will find all the information you need on sv.net "*premium access*" on the ITSG homepage. We have compiled further tips and information in our German-language *Information leaflet on sv.net.*

Health insurance: What do I need to bear in mind when taking on staff from abroad?

First and foremost, employers need to clarify whether new employees are subject to mandatory health insurance in Germany. Companies should ideally get in touch with us in good time. We help you to determine whether the new employees have to be covered by social insurance or not. It is also important to know that new employees from abroad, provided they are subject to mandatory insurance, only become a member of a social health insurance fund upon commencing their employment. This means they are only entitled to health insurance fund services as of the start date of employment. For this reason, they should take out private travel insurance for their journey to Germany which runs until they start work. Should they fall ill between arriving in Germany and starting work, they will be reimbursed for the costs of treatment from the private insurance provider.

How can employees from abroad insure themselves?

In most cases, this depends on the age of the employees. Moreover, there are also special cases which we clarify with the employer.
Foreign employees who are younger than 55 upon starting employment are subject to mandatory insurance in Germany. This means they can choose from one of the statutory health insurance funds.
If the new employees are older than 55 and come from abroad, then certain special regulations apply for inclusion in a statutory health insurance fund. We have to examine these on a case-by-case basis.

Special cases

If the new employees have additional incomes, and pensions or also work on a self-employed basis, the employer should get in touch with us. We need to check such cases individually.

Checklist for hiring from abroad

Here we provide a checklist which you can hand out to your employees hired from abroad to allow for the best preparation.

Copyright © via GründerAtelier GmbH I All rights reserved.

1. **Cultural preparation**
   - Notify friends and acquaintances about your departure.
   - Talk to former expatriates.
2. **Technical preparation**
   - Clarify the job description with your superior.
   - Get to know future important contacts/visit your new department.
   - Get hold of important specialist information.

   Optional: job search for a married partner.
   - Send job applications from the working married partner to companies in the new region.
   - Look for alternative areas of work.
3. **Relocation planning**
   - Clarify formalities for departure.
   - Clarify the import and customs regulations for Germany.
   - Rent a flat.
   - Register with the electricity, gas and waste disposal companies.
   - Register a telephone, radio/TV.
   - Consult with the relocation company.
   - Write relocation lists and calculate the cost of relocation.
   - Household contents: take them with you, sell them, gift them.
   - Official registration (residents' registration office).
   - Register/buy a car.
   - Register a place in school/nursery.
   - Book flight tickets.
4. **Health care**
   - If relevant, take clinical records from abroad with you.
5. **Insurance**
   - Clarify social security with your employer.
   - Take out private entry insurance.
   - Terminate insurance in your home country.
   - Motor vehicle insurance.
   - Submit the no-claims bonus certificate from the motor vehicle insurance.
   - Legal expenses insurance.
   - Contents insurance.
   - Personal liability insurance.
   - Travel luggage insurance.
6. **Banking business**
   - Set up standing orders.
   - Terminate foreign accounts.
   - Cancel account debit authorisations.
   - Savings agreements.
   - Loans.
   - Credit cards.
7. **Miscellaneous**
   - Terminate memberships if necessary (e.g. gym membership)
   - Subscribe to newspapers and magazines/report a change of address
   - Submit a postal forwarding request/report a new address
   - Take certificates and references from the home country

We have compiled useful checklists for arrival in a foreign country at TK-Lex. Please note this information is currently only available in German. *(tk-lex.tk.de/web/guest/externalcontent?_leongshared_serviceId=2006&_leongshared_externalcontentid=HI547951)*

Copyright © via GründerAtelier GmbH I All rights reserved.

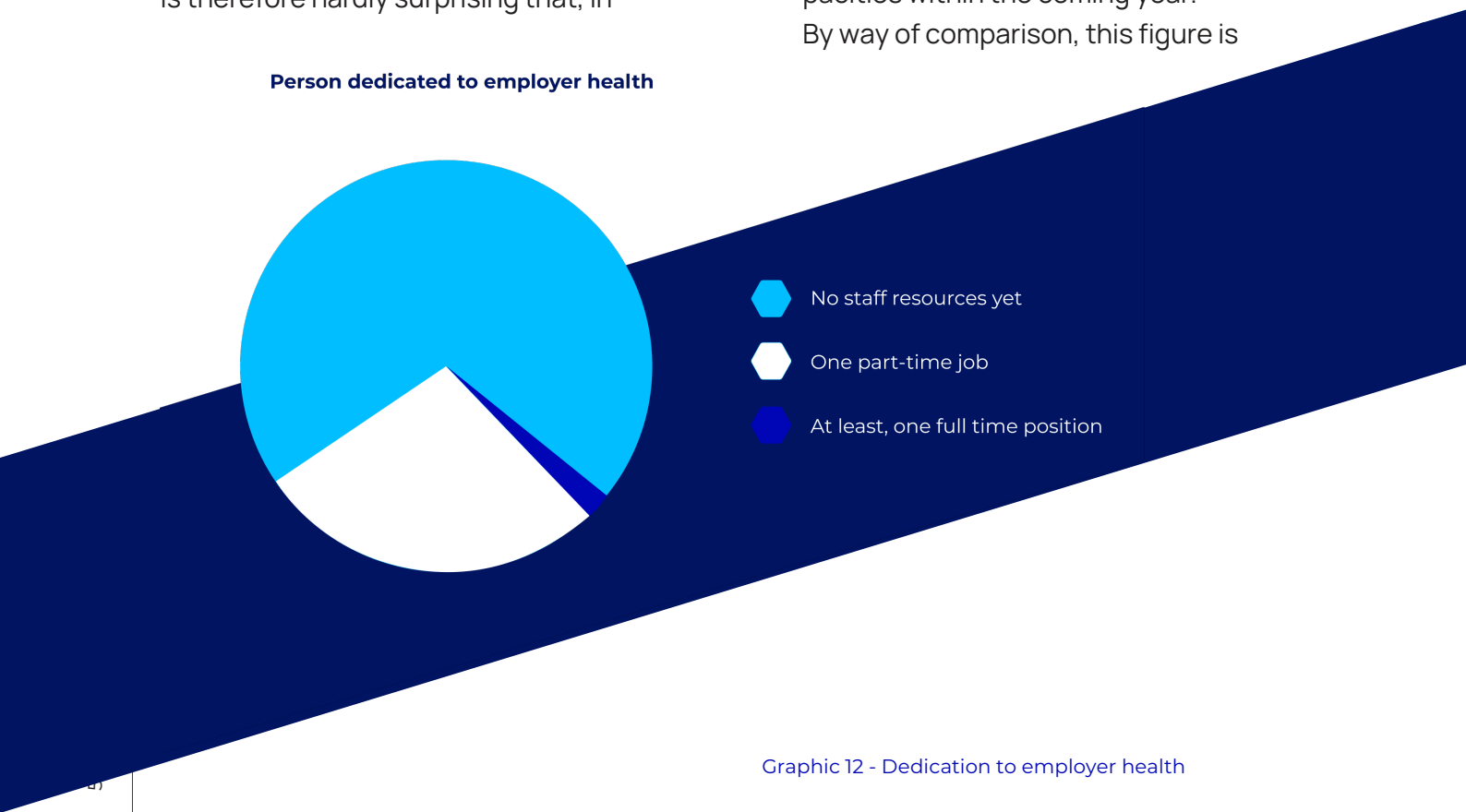
Digitization and health: New work-study from the Verband Deutscher Startups e.V. [Association of German Start-ups]

Source: *startupverband.de/fileadmin/startupverband/mediaarchiv/research/sonstige_studien/2021_startups_new-work.pdf*

Health offers and personal resources

As health and well-being in start-ups become increasingly relevant, this brings with it the question of actual offers and specific responsibilities. In the early phases, in particular, the focus is firmly on product development and, in turn, the development of the business model. Moreover, many start-ups fail in the first few years. It is therefore hardly surprising that, in total, just 29 per cent of all start-ups with employees have established human resources for health issues.

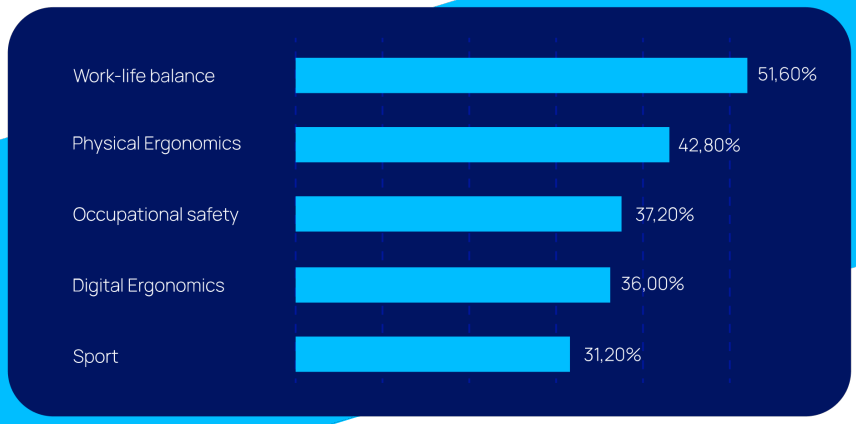
As companies grow they inevitably become more professional. Whilst 80 per cent of the start-ups questioned with up to ten employees had no personnel resources, this number drops to 48 per cent for start-ups with a headcount of more than ten. Comparative figures indicate that this trend continues to apply among established companies; here just 35 per cent of enterprises do not have personnel dedicated to this issue (IFBG [German Institute for Corporate Health Consulting] 2017). This trend is also reflected in personnel planning: 19 per cent of start-ups with up to ten employees and 26 per cent of start-ups with more than ten employees stated the wish to create corresponding capacities within the coming year.
By way of comparison, this figure is



Graphic 12 - Dedication to employer health

Copyright © via GründerAtelier GmbH I All rights reserved.

30 per cent in more established companies (IFBG 2017). However, whilst only a few start-ups have dedicated resources in this field, that does not mean that health offers do not play a role there. The importance of ensuring a good work/life balance is reflected in the existing offers. More than half of the start-ups questioned are active in this area. Examples of such activities include flexible working in terms of time and location as well as trust-based working hours. As has already been shown, start-ups are leading the way here. What is more, 43 per cent of start-ups take measures to improve workplace ergonomics and 37 per cent offer measures in the field of occupational safety. Start-ups are also responding to the specific challenges they face with new offerings for enhancing digital ergonomics (36 per cent) which, among other things, help to avoid annoying factors such as continuous notifications.



Graphic 13 - Health offerings (Digitization and health: New work-study from the Verband Deutscher Startups e.V. [Association of German Start-ups], 2021)

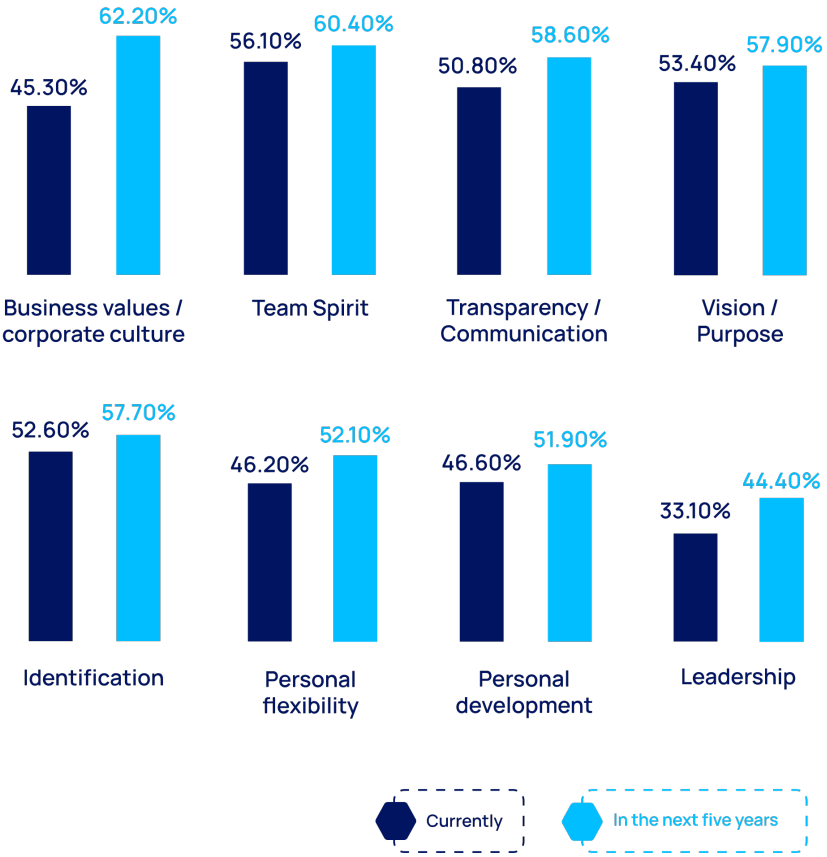
On the whole, a distinction can be made in terms of health offerings as well as personnel resources depending on the size of the company. In simple terms, the larger the company, the broader the range of offerings. 70 per cent of start-ups with more than 25 employees offer measures focusing on physical ergonomics. Issues such as occupational safety and sport are also considerably more important (57 per cent in each case). At the same time, the prevalence of offerings for achieving a good work/life balance, which is of such relevance for start-ups, is lower at just 43 percent.

Copyright © via GründerAtelier GmbH I All rights reserved.

Corporate development and outlook

In addition to specific health-relevant issues and measures, there are a whole host of other factors which shape corporate work and well-being. The positioning of these dimensions shows the most important levers for increasing motivation and thus establishing relevant resources. Two points are particularly evident: Firstly, the importance of the corporate culture and the closely linked aspects of purpose and identification. For start-ups, shared values and visions form the basis for employee well-being. Secondly, it is also evident that these aspects must be truly embraced socially through team spirit, transparency and communication in order to have an impact.

Within the context of these far-reaching factors, the close ties between digitalisation, New Work and health are strikingly clear. Working digitally without a fixed physical location not only creates new freedoms but also new needs – for shared values, a joint vision and clear and ongoing social exchange. To guarantee long-term success, the social dimension also



Graphic 14 - (Digitization and health: New work-study from the Verband Deutscher Startups e.V. [Association of German Start-ups], 2021)

Copyright © via GründerAtelier GmbH I All rights reserved.

needs to be addressed when meeting the central health challenges for start-ups, particularly those of psychological relevance in addition to personal and cultural aspects. The establishment of relevant measures for start-ups offers the advantage that these have an impact in the early stages and can thus shape the company fundamentally.
The report underscores that start-ups take the issue of health seriously and rapidly become more professional in terms of measures and resources. However, there is currently a discrepancy between the offerings available and the needs of the sector. Whilst the larger players create programmes for physical ergonomics, occupational safety and exercise, the most important issue by far, namely achieving a good work/life balance, is not given nearly sufficient attention. Especially with regards to the existing institutional framework conditions for corporate health promotion, it is vital that this becomes a focal point and that the ever-growing importance of remote working is given explicit consideration.

Copyright © via GründerAtelier GmbH | All rights reserved.

References (APA)

Baldoni, J. (2013, Jul 04). *Employee Engagement Does More than Boost Productivity.* HBR. Retrieved May 9, 2022, from Https://Hbr.Org/2013/07/Employee-Engagement-Does-More. *https://hbr.org/2013/07/employee-engagement-does-more*

Cole, G. (2015). Why a feedback culture will transform your business. *Development and Learning in Organizations: An International Journal.* https://doi.org/10.1108/DLO-03-2015-0023

Gallup. (2022, June 10). *Why the Onboarding Experience Is Key for Retention. Gallup.Com. Retrieved May 3, 2*022, from *https://www.gallup.com/workplace/235121/why-onboarding-experience-key-retention.aspx#:%7E:text=Gallup%20finds%20that%20only%2012%25%20of%20employees%20strongly,a%20connection%20that%20can%20make%20or%20break%20retention*.

Inggamara, A., Pierewan, A. C., & Ayriza, Y. (2022). Work–life balance and social support: The influence on work engagement in the Sixth European Working Conditions Survey. *Journal of Employment Counseling, 59*(1), 17–26. *https://doi.org/10.1002/joec.12175*

Klein, H. J., Polin, B., & Leigh Sutton, K. (2015). Specific onboarding practices for the socialization of new employees. *International Journal of Selection and Assessment, 23*(3), 263-283. *https://doi.org/10.1111/ijsa.12113*

Klinghoffer, D., Young, C., Haspas,D. (2019, Jun 6). Every New Employee Needs an Onboarding "Buddy." (2019b, June 7). Harvard Business Review. Retrieved May 16, 2022, from *https://hbr.org/2019/06/every-new-employee-needs-an-onboarding-buddy*

Laurano, M. (2015). *The true cost of a bad hire*. Retrieved May 3, 2022 from *https://b2b-assets.glassdoor.com/the-true-cost-of-a-bad-hire.pdf*

Rasmussen, M. T. (2022).Welcoming Newcomers in Start-Ups: Challenges for Strategic Internal Communication, International Journal of Strategic Communication, 16:2, 273-290, *DOI: 10.1080/1553118X.2022.2032716*

Singh, S. (2022, May 13). *The Three Es For A Powerful Onboarding Program.* Forbes. Retrieved May 20, 2022, from *https://www.forbes.com/sites/forbeshumanresourcescouncil/2022/05/12/the-three-es-for-a-powerful-onboarding-program/?sh=37d2f9334f19*

vY. (2022, April 14). *Three Ways To Humanize Your Hiring Process And Create A Better Candidate Experience.* Forbes. Retrieved May 10, 2022 from *https://www.forbes.com/sites/theyec/2022/03/15/three-ways-to-humanize-your-hiring-process-and-create-a-better-candidate-experience/?sh=85bab-4f113ae*

Kienbaum Institut 2017: Vielfalt fair gestalten. Diversity Management für betriebliches Interessenvertretungen, Charta der Vielfalt [Shaping diversity fairly. Diversity management for operational interest groups, Diversity Charta] (publisher), 2019)

Varshney, D. (2022). Understanding Virtual Employee Onboarding (VEO): The New Normal and beyond. *Emirati Journal of Business, Economics and Social Studies. DOI: 10.54878/EJBESS.171*

Copyright © via GründerAtelier GmbH I All rights reserved.

6. Offboarding

Offboarding - An active approach

We have already discussed in some detail the need for a structured and proactive onboarding process to integrate staff quickly into the organization and get them working productively.

Today, it is increasingly common for staff to change jobs frequently. As that's the case, during the exit phase of employment there is the need to leave a good lasting impression and retain key employee know-how within the organization. After all, this is a central factor in ensuring long-term success. It also provides a chance to consolidate your organization's good reputation and, simultaneously, to send the remaining staff a clear message that both they and their work are valued, even after leaving the company.

Offboarding comprises all process steps and actions relating to staff departures, e.g. terminations and commencement of retirement. In essence, offboarding entails the following aspects (TK,2022):

- Knowledge transfer and handover of duties,
- Return of work materials and keys, access cards, etc.,
- Deactivation of authorizations and passwords for work-related IT systems,
- Ensuring availability for contact after the termination of the employment relationship,
- Conducting farewell rituals, exit talks, and structured exit interviews where appropriate.

Moreover, a good offboarding process gives you a greater understanding of why employees choose to leave the company and an opportunity to clear up potential misunderstandings (especially if there was a question of blame during the separation process). The departing employee thus can become a positive ambassador for the company.

Studies have shown that potential employees often check company reviews on portals such as Kununu and Glassdoor before deciding to submit an application. Departing employees, therefore, shape your employer's brand and can indirectly help the organization recruit new talented staff.

Another positive of a good offboarding process is that it strengthens the relationship and keeps the door wide open for the employee to return in the future.

Knowledge transfer and handover of duties

Whilst employed at a company, staff gain a wide range of experience in terms of strategies, customer rela-

Copyright © via GründerAtelier GmbH I All rights reserved.

tionships, and specialist know-how. They forge networks inside and outside of the organization. When staff leaves, it is vital that as much of this knowledge and experience as possible is retained within the company.

Techniker Krankenkasse takes different approaches to secure the transfer of knowledge and networks:

Approach 1: Direct handover

Provided this is possible, the simplest approach is a direct transfer between the departing and the new employee. In other words, there is a handover and training process. Within this scope, duties are explained and performed jointly and, of course, the existing contacts are handed over. As a rule, the departing employee introduces the successor to their network to facilitate the initial period. The implied know-how is, however, often forgotten with a handover of this nature. This refers to the experience of which the employee is not consciously aware and, therefore, it is not explicitly mentioned during the handover process.

Approach 2: Formal knowledge transfer

The "formal transfer of knowledge" has shown itself to be a good solution. As part of this process, an interview looking at the biography of the employee is conducted. This determines the individual's professional positions (including training and/or study programs) and the experience and skills acquired in the respective position. This is followed by an assessment of the skills used in the current job and which of these are classed as crucial for success. The information can then be used to compare it with the successor's skill set. This gives the company a better insight into whether certain skills will be lacking in the future and whether these can be assumed by the successor or possibly other team members. As a rule, the process lasts two to three days and is managed by specially trained employees. An important requisite here is that the two parties are going their separate ways on good terms. Whilst this should always be the goal, in any case, the formal transfer of know-how is especially critical. After all, this requires that the departing employee embraces the process and is ideally committed to supporting the company even in this final stage.

Approach 3: Mentorship approach

The third and final approach consists in assigning a mentor to new employees from day 1. Typically, the mentor is the person who has more experience in the field and can guide the employee's professional path. There are many benefits to mentorship, mentioning some of them: training and improving employee leadership skills, getting expert advice, gaining perspective, learn how to build new professional relationships. The main objective is to ensure that your new employees are well-trained, feel con-

Copyright © via GründerAtelier GmbH I All rights reserved.

fident, take ownership of their work, and experienced the mentor and mentee role. So later on, your employee can apply these skills in daily work and if the professional journey comes to an end, the role knowledge is transferred in the same way as it was received during the onboarding.

In order to achieve the main goal during the last stage, these are some tasks to be considered when an employee is leaving and she or he is passing on the role to a new team member. Using this approach to transfer the knowledge and handover of duties is to seek a win-win situation for both parties(GA,2022).

- Updating role documents with links, names, passwords, etc.
- Making a schedule with the main duty to teach and train.
- Schedule 1:1 meetings every day to hand over and follow up on progress.
- Allow the incoming person to perform on his or her own, and the leaving employee only absolves questions.

Mentoring Methodology

Mentorship sessions are scheduled periodically to receive and give feedback from both sides. HR sends a survey to both mentor and employee days before the scheduled meeting. The information collected is very helpful to have a holistic view of the employee experience and their relationship with the company. Later on, mentors and HR discuss employee performance, guidance improvements, and the position itself (GA,2022). Company mentorship culture will contribute positively to your team performance and company loyalty. “Mentorships are critical in the modern workplace as they offer employees a way to learn, connect and grow alongside someone they might not get the chance to otherwise” (Perna,2022). This should be reflected in all stages of the employee’s life cycle even at this last one.

IT Offboarding and Data security

Return of work materials and keys, access cards, etc.

It is also vital that the departing employee returns all work materials before leaving the company. These include keys or cards which are used to access the company’s premises. Ideally, a standardized process should be set up in order not to forget anything. Checklists are useful on which the individual steps are listed and can be ticked off. This point is of particular relevance when staff primarily work remotely.

Deactivation of authorizations and passwords for work-related IT systems

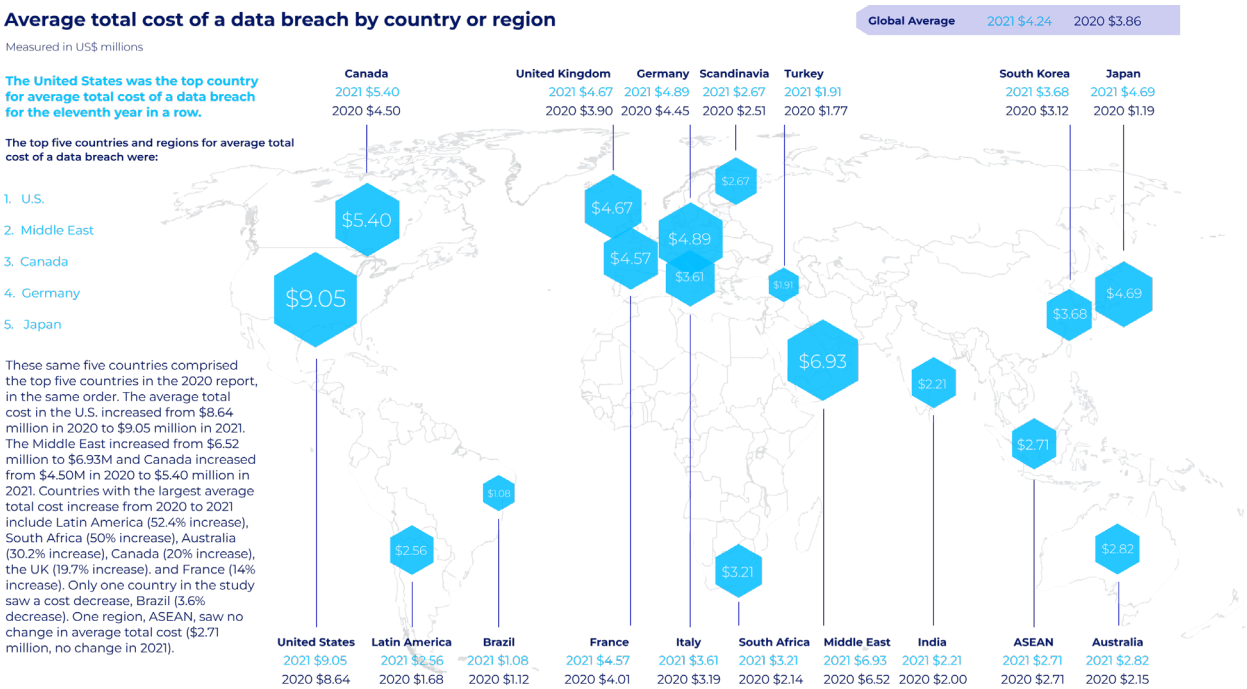
The same goes for IT systems. Here, too, it needs to be ensured that authorizations are deactivated on the date the employee leaves the company (ideally automated). Corresponding checklists are useful here as well. If

Copyright © via GründerAtelier GmbH I All rights reserved.

no central authorization management system is in place, a list with the software used should be drawn up before the date of departure. This also relates to cloud services and authorizations for applications such as Microsoft Teams, Zoom, and Slack as well as central cloud storage locations.

Problems may arise if it proves impossible to establish who has access to internal company information. According to IBM Data Breach Report, 2021 had the highest average cost in 17 years. And it cost from USD 3.86 million to USD 4.24 million, being the highest average total cost in the 17-year history of this report.
Germany ranks 4th out of the top 5 countries with an average total cost of $4.89 million in 2021 to $ 4.45 million in 2020. And the healthcare industry was the top in average total cost for the eleventh year in a row, it has increased from $7.13 million in 2020 to $9.23 million in 2021, i.e, 29.5% more than last year (IBM,2021).

Companies should not only apply restrictive agreements, reinforce company policies, and agreements, and educate employees regarding these policies. But also, invest in cybersecurity, governance, risk management, and compliance programs, use tools that help protect and monitor endpoints and remote employees, protect sensitive data in cloud environments using policy and encryption, embrace an open security architecture and minimize the complexity of IT and security environments among others.



Graphic 15 - Average total cost of a data breach by country or region (IBM, 2021)

Copyright © via GründerAtelier GmbH I All rights reserved.

Ensuring availability for contact after the termination of the employment relationship

After an employee has left the company, there can be many opportunities to get in contact. This may be, for example, a performance-related bonus that is paid at a later date and for which certain account details are required. Alternatively, questions may arise once an employee has left that need to be clarified. Maybe a work reference needs to be sent yet you do not have the individual's current address.

A further useful aspect of having up-to-date contact details is that today, it is no longer unusual for staff to return to the former company after working elsewhere for some time. In start-up situations, in particular, it can be good for someone to leave the team to gain experience in another position which can then be used to the advantage of the company. To this end, you need to be able to contact the individual, either via social networks or directly, to inform them of interesting new vacancies for example.
That is why "Availability" should be included on the exit checklist. Please note that the individual must grant his or her consent to you storing personal data after the end of the employment relationship.

Rituals, Exit talks, and Exit

(Conducting farewell rituals, exit talks, and structured exit interviews where appropriate.)

Assuming the employment relationship has not been terminated without notice, the aim should be, even in the separation phase, to maintain a positive relationship with employees and to send a clear message that they remain valued up to (and beyond) their departure. This attracts potential returning staff, sends a positive signal to the remaining team, and secures ambassadors for your organization.

Small farewell rituals can have a lasting impact, e.g., a bouquet of flowers and cards expressing gratitude for the work done, wishing every success, and they hope to meet again in the future. Another idea is a farewell party as an opportunity to reflect on past successes or a small farewell gift from the team. What is important here is that you take time in advance to come up with a good idea that will achieve the desired effect. Experience has shown that it is better not to work to a set standard but to tailor activities to the individual.

An exit interview should always be conducted. This is an opportunity to clarify any outstanding issues, hand over the reference, and maintain or rebuild a positive relationship. It is thus important that an open and trusting atmosphere is created for this interview. If there has been conflict between the superior and the employee in the past, the interview should preferably be conducted by a neutral third party.

Copyright © via GründerAtelier GmbH I All rights reserved.

As part of the interview, the reason behind the employee's departure and areas for improvement can be discussed to prevent further exits. Staff frequently give more honest feedback following a notice of termination if it is possible to create a positive atmosphere in the interview.

Some organizations have developed systematic exit interviews, these take either the form of a face-to-face interview or are done using a (potentially anonymous) questionnaire. Possible questions include the reason for termination, questions on cooperation within the team and with superiors, the quality of the recruitment and onboarding process, and the perceived corporate culture and remuneration structures. Within this framework, the question as to what needs to be considered when refilling the position should ideally be asked.

These are some questions recommended by HR experts that can be useful to conduct during your offboarding interviews (Forbes,2020).

About the Company:

- ☐ If we could improve in any way, how can we do that?
- ☐ What are we not doing that we should be doing as a company?
- ☐ How working conditions could be improved?
- ☐ What Would Have Made You Feel Engaged?
- ☐ Would You Do It Again If You Had To?
- ☐ What Should Future Hires Know About Us?

About the Role:

- ☐ What Made You Look For A New Job?
- ☐ How did you like your job? Was it rewarding, challenging, or too easy?
- ☐ What did you like the least about your job?
- ☐ Was there anything that prevented you from carrying out your job effectively?
- ☐ What Would Have Made You Stay?
- ☐ Who Helped You Be Successful And How?
- ☐ What Is The New Job Offering That We Don't?

About Management and Team

- ☐ Do you feel like you were managed effectively? Why or why not?
- ☐ How Was Your Relationship With The Manager?
- ☐ Were You Fully Embraced For Who You Are?
- ☐ How do their colleagues feel about their work?
- ☐ Were you given clear goals and objectives? Please explain.
- ☐ Were you satisfied with the feedback sessions conducted throughout your time here? How could this be improved?

Final Comments

- ☐ Do you have any final comments you would like to address?
- ☐ Would You Recommend Working Here?

A structured and systematic offboarding process is often neglected in practice. Yet this offers a wealth of opportunities to avoid reworking,

Copyright © via GründerAtelier GmbH I All rights reserved.

bolster the brand as an employer, discover room for improvement for your company, and, of course, send a positive message to the rest of the company. Offboarding involves time and effort, especially at the beginning, but can make a major contribution to corporate success.

Cultural Offboarding

Having a cultural offboarding should facilitate a smooth ending to the professional relationship. Always remember to rely on the company values as new employees start their professional journey within the company.

> *"I have learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel" - Maya Angelou*

First impressions are important but the last ones are the ones that stick. As mentioned before, the offboarding stage is as relevant as the onboarding. In every step, your organization must be sure that organizational values are been reinforced. In the best companies, the retention process starts at the time of hiring and continues well past the employee's last day of work in the form of vibrant corporate alumni programs (Spain & Groysberg, 2016).

The good feeling in the leaving employee-employer relationship and the positive change it generates for the company should be the judgment parameter to measure the effectiveness of each point of the offboarding checklist, from the most logistical one to the least, should be measured by. In other words, following up on a well-aligned cultural offboarding will allow you to keep a healthy company culture with a stable team.

Legal Offboarding

When employees leave a company or are no longer subject to compulsory insurance, employers have to submit new notifications.
The time limit for deregistration is a maximum of six weeks after the end of employment. There may, however, be an overlap with the due payment of contribution. As such, it is better to promptly transfer notifications. In this way, demands for contributions can be avoided.
We have compiled the various reasons for submitting notifications *here*.
Please note this information is currently only available in German.
All legal information on the content and nature of notifications is regulated in DEÜV. DEÜV is the German acronym for the Data Recording and Transmission Regulation. The grounds for notifications are set out here, for example, registration, de-registration, and annual notifications together with the time limits which have to be observed.
Paragraph 28a of the SGB IV (German Social Codebook four) specifies that the employer is the notifying body. This means that the employer is responsible for transferring employee data to the relevant health insurance fund.

Copyright © via GründerAtelier GmbH I All rights reserved.

References (APA)

Cost of a Data Breach Report 2021. (2021b). IBM. Retrieved May 10, 2022 from: *https://www.ibm.com/security/data-breach*

EXPERT PANEL FORBES COUNCILS MEMBERS. (2020, November 20). 16 Questions HR should ask during Exit interviews. Retrieved May 9, 2022 from: *16 Questions HR Should Ask During Exit Interviews (forbes.com)*

GA. Internal Data. May 2022

Spain, E & Groysberg, B (2016, April). *Making Exit Interviews count*. Retrieved May 5, 2022 from: *Https://Hbr.Org/2016/04/Making-Exit-Interviews-Count. https://hbr.org/2016/04/making-exit-interviews-count*

Perna, M. C. (2022a, January 20). *Why A Mentorship Program Can Help Your Organization Win The War For Talent*. Forbes. Retrieved Apr 25, 2022, from *https://www.forbes.com/sites/markcperna/2022/01/18/why-a-mentorship-program-can-help-your-organization-win-the-war-for-talent/?sh=61e97e031c86*

Treasure AM, Hall SM, Lesko I, Moore D, Sharan M, van Zaanen M, et al. (2022) Ten simple rules for establishing a mentorship programme. PLoS Comput Biol 18(5): e1010015. *https://doi.org/10.1371/journal.pcbi.1010015*

TK. Internal Data. May 2022

Van Der Werf, I. (2022). Keep conflicts to a minimum when OFFBOARDING an employee.

Copyright © via GründerAtelier GmbH I All rights reserved.

Copyright © via GründerAtelier GmbH I All rights reserved.

Die Techniker

Official Health Partner

GründerAtelier