

Episode 7: Do startups need HR departments?

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Welcome to the Smart Startup English Podcast, episode 7! I'm Mickey, I'm your host, and in this episode, we're talking about a topic that doesn't get much attention in the startup world.

The topic is human resources.

Some startup founders even find the topic boring. But the truth is that there is no company without humans, at least not yet, and most startups need someone on board that can deal with finding the right people for the job.

In fact, some tech companies rebranded the Human Resources department as just People. Not surprisingly, Google was one of the first companies to change the name of their Human Resources department to People Operations, way back in 2006. And other companies soon followed suit. To follow suit means to do the same thing that others are doing. It's an expression that comes from playing card games. It has nothing to do with lawsuits. It's not about that.

By the way, human resources is shortened to HR, so you'll hear me using that term as well.

Going back to our topic, let me ask you this:

Do you think that having someone in charge of managing human resources is necessary in a startup?

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Some founders say yes, others say no.

The jury is still out on this one. When we say the jury is out, it means that there's no real consensus, that there are people arguing both sides of the case. On the one hand, startups want to remain agile. They want to be able to move fast, without getting bogged down by policies and procedures. That means they don't want things to become complicated, complex, or to stop making progress.

Some startup founders believe that their companies are too small to need an HR professional on board. In fact, according to <u>The New York Times</u>, tech startups with under 100 employees have half as many HR professionals as same-size companies in other industries.

On the other hand, at different stages of growth, startups face some challenges that could benefit from having an HR professional on the team.

A few challenges include: creating a diverse team, keeping work engagement high, cultivating a healthy office culture, and setting boundaries. To set boundaries means to decide and communicate what is appropriate behavior and what's not appropriate behavior.

<u>Project Include</u> is an organization that provides resources for building diverse tech teams. And they say startups should make HR one of the first 25 hires. This helps with the company's commitment to D&I.

D&I is an acronym that stands for Diversity and Inclusion - making sure that your team has members that bring different points of view to the table, such as members of different races, different genders, and also different social backgrounds.

Of course, HR will also take on the more traditional tasks of recruiting, retention, and compensation. To take on a task means to take responsibility for starting and doing a task. You could also say "to take on a project."

One of the most crucial roles of HR professionals is being able to attract talent. In this case, we use talent as a noun to refer to people who are very good at their job and therefore desirable team members.

Attracting talent is one of the most difficult challenges that startups face in places such as Silicon Valley. If you want to learn more about attracting talent, you should listen to episode 1 of the Smart Startup English podcast.

Having said that, there is one thing that startup founders and advisors agree on: While there is no hard-and-fast rule about when you **should** hire an HR pro, it's better to do it before you need

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one. If you're thinking about bringing them on board when you need them, then by then it might be too late. A hard-and-fast rule is a rule that's very clear, very well defined.

Now that we've established that, let's review some vocabulary:

To follow suit means to do the same thing others are doing.

When **the jury is still out**, that means that there's no consensus. There are people arguing both sides of a situation.

In a startup context, **to be agile** means to be fast-moving, to be flexible, to be able to change quickly.

When something becomes **bogged down** it means that it has become complicated, and perhaps even stopped making progress.

Setting boundaries is a good thing because you have decided and communicated what is appropriate behavior and what isn't.

Diversity and Inclusion (or D&I) should be a very important aspect to keep in mind when you're hiring new team members. You want to make sure that your team has members that bring different points of view to the table, such as members of different minorities (be it race, gender, sexual orientation, social background or ability).

To take on a task (or to take on a project) means to take responsibility for and start doing that task or that project.

We saw that **talent** can be used as a collective noun to refer to people who are very good at their job.

We also talked about **hard-and-fast rules**. This expression is often used in the negative, as in our example: there are **no** hard-and-fast rules. Meaning there are no established rules.

And finally, here is your speaking practice question for this episode:

Do you think that hiring someone in charge of Human Resources early on is a smart move for a startup? Or is it not necessary?

That's it for this episode of Smart Startup English. Don't forget to subscribe to our podcast. And if you want to keep in touch, go to SmartStartupEnglish.com and sign up for our newsletter. When you sign up, you'll get free access to transcripts and worksheets based on every episode. And you'll be the first to know when we release new episodes.

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