

Co-Parenting Your Start-Up: Why Your First Employee Deserves Your Attention and Dedication

Evy Van Lancker, Ghent University, Belgium

Hiring your first employee is one of the most defining moments of your start-up. It is the single biggest growth event your start-up will see. Not only do you welcome an outsider but, from now on you are also responsible for his or her income, wellbeing, and happiness. Surprisingly, young organizations often don't consider human resource management when welcoming and employing their first employee.

Research indicates that employees in entrepreneurial firms are different from people working for an established business. Working for a start-up appeals to them because they prefer autonomy, discretion, and risk over job security. Additionally, they are entrepreneurial at heart, do not mind some level of uncertainty, and play a central role in growing your business. First employees also have a big part in welcoming and coaching future employees and representing your business. So, it is a must that you and your first employee are on the same page.

The big question is how to achieve mutual understanding? Well, the answer is straightforward: by implementing human resource management practices like onboarding, training, and involvement, you lead your employee in the right direction.

But is it as simple as that? We studied human resource management practices in entrepreneurial firms to uncover the ins and outs of managing employees and found that entrepreneurs mostly consider human resource management once the company has reached significant growth or size, or when problems emerge. We also found that some entrepreneurs are not always aware of the necessity and advantages of human resource management. Moreover, we uncovered that entrepreneurs hesitate to invest in their employees because they fear losing them and their investment to competitors. So, it seems that most entrepreneurs only start thinking about human resource management once the company has reached other milestones.

Now, human resource management is not just a technique to manage large groups. Even if there is only one employee, they still need guidance to perform and behave as expected. So then, what is a good approach to manage your first employee? Based on our insights (and the experience of founders we've been

talking to), we share the following advice: “*Think of your first employee as if they are co-parenting your business*”

Your first employee is part of the team.

You are in this together. A lot of people join a start-up because they are passionate and entrepreneurial. They want to be part of a team and co-create. By considering your first employee as one of the team, you signal your trust and confidence. Involve them in meetings and listen to their opinion when making decisions. As a result, your employee feels supported and inspired to go the extra mile, even during economic turmoil or hard times and even without having any formal stakes.

Your first employee also aims at personal growth.

Provide enough perks and learning opportunities. Over time, your first employee becomes more skilled and specialized in his or her job. He or she has profound knowledge of your product and knows your business by heart. So, first employees are a true asset. Losing them to another company or competitor would leave a big mark. By offering career prospects and incentives to grow, such as flexible training budgets or bonuses they can reinvest as they wish, you develop your human capital, but you also endorse a higher level of commitment, trust and loyalty.

Your first employee will leave a long-lasting impression on your company.

Together you establish an organizational culture. Being the first and only employee means that these employees don't have any references or colleagues to ask questions to or to copy accepted social behavior. In this light, designing a proper onboarding process will prove to be truly valuable to share your values, vision, and ideas for the future. Onboarding an employee starts with informing them about your expectations and work ethic. Prepare a document with work-related rules and information, such as labor agreement, policy rules, lunch and working hours, and others. Still, such a document will not help you build a relationship. Go out for lunch together, take your time to get to know each other. Be open to questions and suggestions and provide constructive feedback.

Put differently, you as a founder (“the parent”) will benefit from building and maintaining a good relationship with your first employee (“the co-parent”). By viewing your first employee as someone who helps to raise your company, and not as a typical employee, you'll begin to understand what your employee needs to

keep going the extra mile. While first employees may not occupy a founding role in the company, they play an essential part in the successful growth of your business.

CONTACT: Evy Van Lancker; Evy.VanLancker@UGent.be; (T): 00 32 9 264 35 37; Ghent University; Tweekerkenstraat 2, 9000 Ghent, Belgium.