

**The Human Capital Advantage: A Curriculum for Early Stage Ventures**

**Module Two: Recruiting, Onboarding, Culture Building**

**Introduction/Value Proposition**

At the end of Module One you made a list of the skills you need in the Human Capital Vision exercise. Identifying the key elements of your culture and hiring people with those attributes can set you up for success. But hiring for culture fit does not mean hiring people from the same background – in fact, hiring people from diverse backgrounds, including those with barriers to employment, can make your company much stronger. Providing effective onboarding and mentorship, as well as support for those with barriers, will position your team for success. Being intentional about building a great culture and communicating it clearly and consistently can make your company more competitive.

**Goals/Desired Outcomes**

After this module, entrepreneurs should be able to:

* Create a thoughtful plan for building a strong and diverse team, screened both for skills and culture fit, and how to effectively onboard and mentor them
* Intentionally build a great culture through appreciation, rewards & recognition, and celebrating success as a team
* Understand ways to communicate culture and core values clearly and consistently

**Advance Prep**

Send around the articles below, emphasizing the importance of the pre-work.

**See PowerPoint for presentation/exercise content:**

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| --- | --- | --- |
| **TIME** | **TOPIC** | **MATERIALS** |
| 5 min | Introduction to the module/goals of day | PPT, laptop, projector |
| 15 min | Hiring for culture fit – theory/slides |  |
| 20 min | *Hiring for culture fit exercise* | Handout |
| 15 min | Pursuing diversity for strength - theory/slides |  |
| 15 min | *Exercise and discussion on unconscious bias and diversity* | Handout |
| 15 min | Expanding the talent pool – discussion |  |
| **5 min** | **BREAK** |  |
| 15 min | Effective onboarding and mentorship – slides and discussion |  |
| 20 min | Building an intentional culture – slides and discussion |  |
| 15 min | Communicating the culture clearly and consistently – slides and discussion |  |
| 10 min | Wrap up, key take-aways, evaluation | Evaluation form |
| **150 min (2.5 hours)** |  |  |

**Exercises**

* Hiring for culture fit exercise
* Exercise on unconscious bias and diversity

**Follow Up/Measure progress**

Check in after a month, six months, a year on progress

**Resources to distribute ahead of time:**

*NOTE TO PARTICIPANTS: This pre-work (reviewing these materials) will take you about 30-60 minutes and will enable you to participate at a much higher level.*

* The Hitachi Foundation: [Business Action Guide: Hiring For Culture Fit: Zappos](http://www.hitachifoundation.org/storage/documents/Zappos_Hire_for_Culture_Fit.pdf)
  + Length: 2-3 page short article
  + Summary: Zappos has achieved low turnover by defining its core values and establishing a hiring process that screens for those values so that new hires not only have the needed skills but also fit the customer-service-focused culture
  + Relevance for early stage entrepreneurs: High
  + Specific take-aways: Define company culture so it can be used as a hiring screen and scaled as company grows; have two sets of interviews (one for skills and one for culture fit); hire slowly and fire quickly
* New York Times: [Guess Who Doesn’t Fit in At Work?](http://www.nytimes.com/2015/05/31/opinion/sunday/guess-who-doesnt-fit-in-at-work.html?_r=0)
  + Length: Online article
  + Summary: Hiring for culture fit can be an important ingredient for business success. But some organizations mistakenly think this means hiring people with similar backgrounds and interests, which can limit diversity and even result in discrimination.
  + Relevance for early stage entrepreneurs: High
  + Specific take-aways: Make sure the definition of cultural fit is closely aligned with business goals. It should be based on a data-driven analysis of what types of values, traits and behaviors actually predict on-the-job success. Create formal procedures like checklists for measuring fit, so that assessment is not left up to the subjective judgment of those in charge of hiring. Also, put concrete limits on how much fit can sway hiring.
* Scientific American: [How Diversity Makes us Smarter](http://www.scientificamerican.com/article/how-diversity-makes-us-smarter/)
  + Length: Short online article
  + Summary: Decades of research by organizational scientists, psychologists, sociologists, economists and demographers show that socially diverse groups – those with a diversity of race, ethnicity, gender and sexual orientation – are more innovative than homogeneous groups.
  + Relevance for early stage entrepreneurs: High
  + Specific take-aways: Simply interacting with individuals who are different forces group members to prepare better, to anticipate alternative viewpoints and to expect that reaching consensus will take effort. There are also specific studies showing that companies with diverse leadership outperform their more homogenous competitors.
* TechCrunch: [Prioritizing Diversity in 2015](http://techcrunch.com/2015/01/24/prioritizing-diversity-in-2015/)
  + Length: Short online blog post
  + Summary: Startups that want to be innovative and reach a diverse customer base should prioritize investments in diversity from the beginning.
  + Relevance for early stage entrepreneurs: High
  + Specific take-aways: Founders and top executives need to take an active role rather than leaving diversity to an individual or a team assigned to that role. Collect good data from the beginning, not only on raw numbers but also on things such as how experiences vary for women and people of color, how candidates are recruited, how employees are paid, how they advance, and how they are evaluated. Leverage more diverse networks to attract candidates. Focus on strategies that will minimize stereotypes in hiring. Create a company culture that supports diverse employees.
* StartUp Podcast: [Diversity Report](https://soundcloud.com/hearstartup/19-diversity-report) https://soundcloud.com/hearstartup/19-diversity-report
  + Length: 43 minute podcast
  + Summary: Gimlet is an example of a startup that is growing fast. The company wants to be more diverse so they can represent the makeup of their listeners and of the world. How do they tackle this challenge?
  + Relevance for early stage entrepreneurs: High
  + Specific take-aways: Gimlet interviewed their non-white and LGBT employees to get their perspectives. One piece of advice – always be alert for unconscious bias. It’s good to reach out to diverse groups, but do not make people of different backgrounds into tokens. Create new professional networks that include a more diverse group of people. Leadership must be aware and intentional.
* Inc. Magazine: [Why You Should Hire More Ex-Cons: Former gang leaders and drug dealers have the potential to be your star employees](http://www.inc.com/catherine-rohr/why-you-should-hire-ex-cons.html)
  + Length: Online article
  + Summary: Many ex-convicts have translatable skills and a desire to prove themselves. Given a chance, they are loyal and hardworking. Defy Ventures is a nonprofit that provides business training for ex-cons.
  + Relevance for early stage entrepreneurs: High
  + Specific take-aways: Ex-cons provide affordable, undervalued labor; excellent sales and customer service skills; and dedication and loyalty. By hiring them your business receives tax incentives and free federal bonding, and you will have the knowledge that you are giving someone a second chance.
* Forbes: [The Onboarding Experience Matters to Your Future Employees](http://www.forbes.com/sites/meghanbiro/2014/06/01/the-onboarding-experience-matters-to-your-future-employees/)
  + Length: short article
  + Summary: Make the most of onboarding and engage new employees immediately by treating it as a team and brand building process rather than just a time to fill out boring forms.
  + Relevance for early stage entrepreneurs: High
  + Specific take-aways: Group new hires in teams and spend time reaffirming the company’s focus and purpose. Assign each new hire a mentor to help both with logistics and longer term goal setting. Don’t assume on-boarding is over after one day – schedule in times to check with the new hire one-on-one, as well as through teams and mentors, to assure they have what they need to become productive employees. Good onboarding leads to better retention.
* The Hitachi Foundation: [Business Action Guide: Non-Financial Recognition and Rewards: New Belgium Brewing](http://www.hitachifoundation.org/storage/documents/New_Belgium__Non_Financial_Recognition_Rewards.pdf)
  + Length: 2-3 page article
  + Summary: Businesses may not always have enough cash on hand to rely solely on financial incentives and rewards to encourage peak employee performance. Fortunately, there are other alternatives beyond salaries and bonuses.
  + Relevance for early stage entrepreneurs: High
  + Specific take-aways: Design rewards that match the company’s culture – a watch would not fit New Belgium’s culture, whereas a custom cruiser bicycle in honor of their signature Fat Tire beer is a perfect fit. Make smart use of technology to recognize wins at all levels. Continuously evaluate the effectiveness of your reward programs and adjust as needed. Match individual rewards to individuals – reward people with something you know is meaningful to them.
* The Hitachi Foundation: [Business Action Guide: Communicating the Company’s Values Clearly and Consistently: Tasty Catering](http://www.hitachifoundation.org/storage/documents/Tasty_Catering_Communicate_Company_Values.pdf)
  + - Length: 2-3 page article
    - Summary: Clearly defining your company’s core values – and communicating them consistently – is one of the most fundamental steps in building an engaged, productive workforce. Doing so helps ensure that employees understand exactly what is expected of them, reducing confusion and the need for micromanagement. Even more powerful is to work together with employees to identify and define the core values, ensuring a higher level of buy-in.
    - Relevance for early stage entrepreneurs: High
    - Specific take-aways: Define values that everyone can own, use values to guide performance, implement no-blame accountability systems, build a culture of appreciation, and live your values through repetition and shared language.