A STUDY ON FACTORS CONSIDERED FOR JOB PROFILE TO RETAIN THE EMPLOYEES BY STARTUPS

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Abstract

Now a days, Startups became the hotspot for the job market, and they are providing good number of employment opportunities. This research paper is an attempt to identify the various factors while are being considered before offering a job to employees. The findings of this association reveal that Lack of chances of self-development, work life balance, and Miss-Match between Responsibility and Authority are the some of the major reasons for the employee's turnover from startups. Suggestion of the study will help the startup organization to take required steps to control employee turnover.

Keywords: Startup, Startup India, Job profile, Employees retention

1.   INTRODUCTION:

Startup India is a flagship initiative of the Government of India launched by the Prime Minister Shri Narendra Modi on 16 January, 2016. The initiative is intended to catalyse startup culture and build a strong and inclusive ecosystem for innovation and entrepreneurship in India. The term "startup" refers to a company in the first stages of operations. Startups are founded by one or more entrepreneurs who want to develop a product or service for which they believe there is demand. Start-ups in India offer immense scope for employment generation and upskilling of youth, especially in the trending industry 4.0 skills. Indian start-ups have generated close to 6 lakh jobs since 2018 cumulatively. Even during the continuing pandemic, 1.7 lakh jobs were created by DPIIT recognized start-ups in the period 2020-2021 alone. In terms of funding, Indian start-ups raised an impressive $42 billion in 2021, nearly 40 per cent more than what was raised in 2020. As emphasized by Hon'ble Prime Minister Shri Narendra Modiji, India is also on track to convert this century into "a century of unicorns". A unicorn is a privately held start-up company with a valuation of over $1 billion (approximately Rs 8000 crore). Today, 1 out of every 10 unicorns created in the world is from India. The year 2021 itself saw the creation of 44 unicorns with a total valuation of more than $90 billion.

This paper embarks on a journey into the heart of the startup ecosystem, where agility meets ambition, and innovation intertwines with limited resources. It scrutinizes the factors influencing the job profile formulation process within startups, providing valuable insights into the dynamics of contemporary employment in these innovative, high-growth organizations. Through empirical research and analysis, we seek to offer a comprehensive understanding of the factors that drive the creation of job profiles within startups, ultimately contributing to a more nuanced comprehension of the employment landscape in the ever-evolving startup ecosystem.

2.   LITERATURE REVIEW
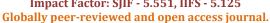
Employees Retentions

In layman Employee retention" refers to an organization's efforts to retain its employees over a certain period, particularly focusing on retaining the valuable and skilled workforce. In other words, it's the strategy and practices an employer uses to keep their employees engaged, satisfied, and motivated to stay with the company.

Phillips, J. J., & Connell, A. O. (2004) defined employees' retention in their book that "retention is the percentage of employees remaining in the organization. High level of retention is desired at most of the job group."

Suvethashri R.P., Dr. Vikram A (2020) has examined employee retention strategies adopted by Startups. Researchers have observed that attractive compensation, a friendly environment, career and personal growth and positive relationships with immediate bosses and coworkers creates satisfaction. Respect, recognition, and reward for their performance should be considered while determining HR policies of the organization. Researcher of the opinion that startups face various challenges like dissatisfaction of the employee, higher employee turnover ratio due to higher compensation by competitors, no budget or less budget for incentives, lack of loyalty, etc. Over and above, lack of financial rewards researchers also found lack of training support.

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Khandelwal K, Jain S.R., Dr. Chahar B (2020) has examined the motivation and retention problems in startups of India. Researchers found out that such problems are highly challenging. They have conducted surveys in the startups organizations and obtained data from 50 employees. Researchers traced out five important factors vies-versa compensation, environment, growth, relationship, and support responsible for employee motivation and retention. They have obtained rank or importance of all these aspects from employees of the startups. The study further revealed that wages and incentives which they obtain with reference to their workload create satisfaction amongst many employees. However, a salary rise is a vital feature for the employee as a reward for his entrustment. Inspiration, work environment, appreciation, relationship with coworkers, training program, etc. are second-level factors affecting employee retention and motivation. Job satisfaction and career development are primary factors influencing motivation.

Kaur R, Khan M.S. (2019) has studied retention policies of startups in India. The researchers are of the opinion that employee retention in the startups is needs of an hour. In the startups, there is shortage of resources, scarcity of talented employees as well as retention of skilled employees with good morale. Startups create absence of work life balance and opportunities for young employees to work at different areas and difference in opinion at operational level. Researchers had studied behaviour of young employees in the startups and concluded that job satisfaction, freedom of work and exploration and constant improvement in working culture may lead to employee retention.

Kaur R., (2017) has examined factors affecting employee retention in IT companies and the employee retention model for IT companies. Researcher is of the opinion that retention is a process in which the employees are encouraged to remain within the organization for a maximum period of time or until the completion of a project. Organizations should put more effort in the direction of employee retention for a very long term.

Liu et al, 2006 is of the opinion that Training and learning opportunities will also have considerable effects on employees staying in the organization. Lack of opportunity to learn may lead to lack of skill and ability and in the long run, it creates problems for the employee as well as organization and ultimately employees may tend to quit the job.

Simon and Kristian (2007) mention that job satisfaction is one of the predictors of turnover intention. Researchers are of the opinion that job related factors are the key determinants of job satisfaction, organizational commitment, and turnover intentions among employees.

Mak and Sockel, (2001) believed employees' retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff. It is further argued that it is essential for an organization to maintain corporate strategic advantage by retaining the hardworking and talented employees. It has been observed that the role of manager in the organization is very crucial. Managers must understand the difference between a valuable employee and an employee who does not contribute much to the organization so that they can design appropriate strategies to retain the potential employees. Such strategies may range from lucrative rewarding packages to involving employees in every sphere of the functioning of the organization.

Zingheim P.K., Schuster J.R., Dertien M.G. (2009) has evaluated compensation, reward, retention practices of fast growth companies of the U.S.A. Researchers are of the opinion that fast growth companies have started their business in the form of startups and later changed their firm. Variety of pay and total reward practices are playing key roles in employee retention. Researchers have found several successful practices of retention followed by such companies which may include focus on career growth, proper career opportunities, career acceleration for key talent, skill pay programs, etc. Non-financial reward practices are playing a significant role in employee retention which may include sharing the company success with people who may feel them part of the organization, recognition as ideal people and rewarding them, focusing on the company's core technologies, etc. Employees' stock options and retention bonuses are also influencing the middle-level employees in the organization. The leadership challenge of surveyed growth companies is to sustain business growth with a high-performance workforce. Leaders of the surveyed organization think that key talent who possesses the company's core competencies is playing a significant role in the high growth of the organization. Performance-based compensation approaches are a very useful way of practice for employee retention.

3.   RESEARCH METHODOLOGY

This research has been conducted with the two objectives:

- To know the various factors considered for job profile that help to retain employees.
- To know the relation between demographic variables (Type of startup & Age of startup) and factors considered for job profile that help to retain employees.

The date for the data analysis was collected from 200 startup founders/entrepreneurs through structured questionnaire. Researchers has used chi-square test to know the association between type of startup and reasons for leaving the job from startup. The limitation of this research is that its only covers the reasons for employee's retention, further research can be conducted within the are like employee's satisfaction and other aspects of human recourse.

4. DATA ANALYSIS

Table: 1 Demographic Data

City of Start Up	%
Ahmedabad	33
Rajkot	17
Vadodara	25
Surat	25
Total	**100**
Age of Startup:	**%**
Less than 6 Months	10
6 Months to 1 Year	18
One Year to Two Years	31
More than 2 Years	42
Total	100
Form of Organization Startup	**%**
Sole Proprietorship	12
Partnership	42
LLP	24
Company	22
Trust	2
Total	**100**
Type of Startup	**%**
Social Start Up	25
Problem Solving Startup	31
Women Oriented Startup	2
Techno Startup	32
Ed Tech Startup	11
Total	**100**

The above table explain about the demographic data of respondents. 1/3 of startup founded in Ahmedabad, ¼ of startup started in Surat and Vadodara. Remaining started in Rajkot. 42% of startup are more than 2 yrs old, 31% are between 1-2 yrs, 18% startup age is between 6 months to 1 yrs and remaining 10% are less than 6 months old. 42% startup are partnership in nature, 24% are LLP, 22% are company, 12% are proprietorship, and remaining 2% are trust in nature. Around 1/3 of startups are Techno, and problem-solving startup. ¼ startups are social startup. Remaining 11% are Ed-tech, and 2% are women-oriented startups.

Above chart explain about the factors considered while developing job profile.

Work life balance has been considered very important by around ¼ startups, around ½ of the startups considered it as important factor, 14% remain ok or neutral, whereas 3% and 17% considered it not so important and not important at all respectively.

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Responsibility and authority balance has been considered very important by around 15% startups, around ½ of the startups considered it as important factor, 22% remain ok or neutral, whereas 1% and 7% considered it not so important and not important at all respectively.

Financial security of candidates has been considered very important by around 21% startups, around ½ of the startups considered it as important factor, 22% remain ok or neutral, whereas 0% and 8% considered it not so important and not important at all respectively.

Requirement of specific skill has been considered very important and important by around 1/3 startups respectively, 18% remain ok or neutral, whereas 0% and 15% considered it not so important and not important at all respectively.

Flexibility of work has been considered very important by 30% startups, around 20% of the startups considered it as important factor, 26% remain ok or neutral, whereas 21% and 5% considered it not so important and not important at all respectively.

H_0: **There is no difference of means between the type of startup and factors considered for job profile.**
H_1: **There is difference of means between the type of startup and factors considered for job profile.**

ANOVA

			Sum of Squares	df	Mean Square	F	Sig.
Work Life Balance	Between Groups	(Combined)	35.050	4	8.763	5.462	0.000
		Linear Term — Unweighted	20.632	1	20.632	12.861	0.000
		Linear Term — Weighted	8.782	1	8.782	5.474	0.020
		Linear Term — Deviation	26.268	3	8.756	5.458	0.001
	Within Groups		312.825	195	1.604		
	Total		347.875	199			
Responsibility and Authority Balance	Between Groups	(Combined)	10.868	4	2.717	2.984	0.020
		Linear Term — Unweighted	8.889	1	8.889	9.764	0.002
		Linear Term — Weighted	1.619	1	1.619	1.778	0.184
		Linear Term — Deviation	9.249	3	3.083	3.387	0.019
	Within Groups		177.527	195	0.910		
	Total		188.395	199			
Financial Security of Candidate	Between Groups	(Combined)	2.173	4	0.543	0.513	0.726
		Linear Term — Unweighted	0.368	1	0.368	0.348	0.556
		Linear Term — Weighted	0.802	1	0.802	0.758	0.385
		Linear Term — Deviation	1.371	3	0.457	0.432	0.730
	Within Groups		206.307	195	1.058		
	Total		208.480	199			
Requirement of specific skill	Between Groups	(Combined)	7.684	4	1.921	1.105	0.356
		Linear Term — Unweighted	3.643	1	3.643	2.095	0.149
		Linear Term — Weighted	4.305	1	4.305	2.476	0.117
		Linear Term — Deviation	3.379	3	1.126	0.648	0.585
	Within Groups		339.071	195	1.739		
	Total		346.755	199			
Flexibility of Work	Between Groups	(Combined)	7.062	4	1.765	1.137	0.340
		Linear Term — Unweighted	1.173	1	1.173	0.755	0.386
		Linear Term — Weighted	2.069	1	2.069	1.332	0.250
		Linear Term — Deviation	4.993	3	1.664	1.072	0.362
	Within Groups		302.858	195	1.553		

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Total		309.920	199		

Description: From the above ANOVAs test, it can be derived that, there is no difference of means between the type of startup and factors considered for job profile as significant value is > 0.05 for Financial Security of Candidate, Requirement of specific skill, and Flexibility of Work. But there is difference of means between the type of startup and factors considered for work life balance, and Responsibility and Authority Balance as significant value is < 0.05

ANOVA

H_0: There is no difference of means between the age of startup and factors considered for job profile.

H_1: There is difference of means between the age of startup and factors considered for job profile.

ANOVA

			Sum of Squares	df	Mean Square	F	Sig.
Work Life Balance	Between Groups	(Combined)	8.430	3	2.810	1.623	0.185
		Linear Term — Unweighted	3.293	1	3.293	1.902	0.169
		Linear Term — Weighted	2.098	1	2.098	1.211	0.272
		Linear Term — Deviation	6.333	2	3.166	1.828	0.163
	Within Groups		339.445	196	1.732		
	Total		347.875	199			
Responsibility and Authority Balance	Between Groups	(Combined)	6.021	3	2.007	2.157	0.094
		Linear Term — Unweighted	0.752	1	0.752	0.808	0.370
		Linear Term — Weighted	0.019	1	0.019	0.021	0.885
		Linear Term — Deviation	6.002	2	3.001	3.225	0.042
	Within Groups		182.374	196	0.930		
	Total		188.395	199			
Financial Security of Candidate	Between Groups	(Combined)	8.289	3	2.763	2.705	0.047
		Linear Term — Unweighted	7.979	1	7.979	7.812	0.006
		Linear Term — Weighted	5.775	1	5.775	5.654	0.018
		Linear Term — Deviation	2.514	2	1.257	1.231	0.294
	Within Groups		200.191	196	1.021		
	Total		208.480	199			
Requirement of specific skill	Between Groups	(Combined)	13.921	3	4.640	2.733	0.045
		Linear Term — Unweighted	8.939	1	8.939	5.264	0.023
		Linear Term — Weighted	9.524	1	9.524	5.608	0.019
		Linear Term — Deviation	4.397	2	2.199	1.295	0.276
	Within Groups		332.834	196	1.698		
	Total		346.755	199			
Flexibility of Work	Between Groups	(Combined)	9.432	3	3.144	2.051	0.108
		Linear Term — Unweighted	0.308	1	0.308	0.201	0.654
		Linear Term — Weighted	0.000	1	0.000	0.000	0.991
		Linear Term — Deviation	9.432	2	4.716	3.076	0.048
	Within Groups		300.488	196	1.533		
	Total		309.920	199			

Description: From the above ANOVAs test, it can be derived that, there is no difference of means between the age of startup and factors considered for job profile as significant value is > 0.05 for all factors.

5.   FINDINGS

- **Starting of Startups:** Researcher found that around 1/3 of startups started in Ahmedabad, which is one of the fastest growing cities of India. ¼ of startups setup in Vadodara and Surat, other business hubs of Gujarat state. The remaining 17% started in Rajkot city.
- **Age of Startups:** Researcher found that 42% of startups are 2 years old, 31% startups age lies between 1-2 yrs., 18% are 6 months to 1 yrs. old, and 10 are young and only 6 months old.
- **Form of organization of Startup (Identity of Startup):** Researcher found that 42% of startups are being formed in partnership, around ¼ of startup formed as LLP and company. 12% of startups are proprietorship, and 2% are registered as Trust.

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• **Types of Startups:** Researcher found that ¼ of startup are supporting social cause, around 1/3 startups are problem solving startups and techno startups, 11% are edtech startups, and remaining 2 % are women-oriented startups.

• **Factors considered while developing job profile to retain employees:** There are many factors which are being considered while developing job profile. This research focused on Work life balance, Responsibility and Authority Balance, Financial Security, Specific Skill, and flexibility of work. The data reveals that Responsibility and Authority Balance is important factors which is being considered while developing job prospects, followed by Work life balance and financial security. Other important factors considered are specific skill set and flexibility of work.

Findings from ANOVA test

• **Differences of mean between Types of startups and factors considered for Job profile:**

It was found that there is no difference between mean of types of startups and Job profile when it comes to Financial Security of Candidate, Requirement of specific skill, and Flexibility of Work, but there is difference of means between the type of startup and factors considered for work life balance, and Responsibility and Authority Balance. Which shows that different types of startups consider work life balance, and Responsibility and Authority Balance in different ways.

• **Differences of mean between Age of startups and factors considered for Job profile:**

It was found that there is no difference between mean of types of startups and Job profile when it comes to Financial Security of Candidate, Requirement of specific skill, and Flexibility of Work, but there is difference of means between the type of startup and factors considered for work life balance, and Responsibility and Authority Balance, work life balance, and Responsibility and Authority Balance. It shows that all ages of startup considered the above factors in same way.

6.   SUGGESTIONS AND CONCLUSION

From the data analysis, it can be suggested that:

• Retaining employees in the startup is one of the most challenging tasks. Special retention policy for the retention of different level employees is required for every startup as aspirations of employees of different levels of organizations are different.

• Work life balance, Responsibility and Authority Balance, Financial Security, Specific Skill, and flexibility of work are the major factors which affect the job profile and can be considered while developing job profile.

• Responsibility and Authority Balance is important factors which is being considered while developing job prospects,

• Work life balance and financial security is also important factors which can be used to retain employees.

• Other important factors considered are specific skill set and flexibility of work.

• Different types of training are useful to employees in performing their duties efficiently. Hence, special training needs to be designed for startups employees for effective performance of employees.

• Job security is one of the biggest challenges perceived by employees of all startups. Hence, founders or owners of startups should take concrete steps to change such perceptions.

• Organization need to communicate Mission, Vision, Long term Objectives to employees. Such communication can easily synchronize the efforts of all employees in the direction of Vision.

• One of the reasons for leaving the job is the lack of availability of growth opportunities. Such perception can be removed only by developing and adopting better policies of promotion of employees.

• Overall financial stability of the employees is to be ensured by founders of startups. After at least three years of the startup, one needs to revise the compensation amount.

This research was conducted with the objectives to know the factors considered for job profile to retain the employees by startups. Based on data collected and findings researcher conclude that employee's retention is major issue in startup and its affect startups performance in many ways. Much past research also mentioned that employees prefer to work in a much-settled work environment in comparison to volatile work environment. So, startups need to focus on HR strategies and make moves to retain employees.

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