

# People development in startups



## Desenvolvimento de pessoas em *startups*

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## ABSTRACT

**Purpose:** This article aims to analyze how the practices related to the development of people in startups are configured.

**Originality/value:** Considering that, until then, studies referring to startups focused on their concept, characteristics, and key success factors, this research contributes to filling a gap in the theory, as it presents a people development model suited to the characteristics of startups and, in this way, it makes possible to the founders or managers of startups to use the findings of this research in order to improve their performance.

**Design/methodology/approach:** The methodological aspects of this research are characterized by exploratory and qualitative research. Semi-structured interviews are used as a collection technique in 16 startups.

**Findings:** We observed that in startups: Teamwork is prioritized, the work environment is informal, the development of competencies occurs in the work environment itself through self-development or training provided by specialized professionals or by the leadership, there is flexibility in the time, place, manner in which activities are carried out, and the employee may even act in activities that would not be the responsibility of the position held.

**Keywords:** high performance, human resource development, startups, competencies, people management



## RESUMO

**Objetivo:** Este artigo visa analisar como se configuram as práticas referentes ao desenvolvimento de pessoas em *startups*.

**Originalidade/valor:** Considerando que, até então, os estudos referentes às *startups* focalizavam o seu conceito, as suas características e os seus fatores-chave de sucesso, a pesquisa colabora para suprir uma lacuna na teoria, pois apresenta um modelo de desenvolvimento de pessoas mais adequado às características das *startups* e, dessa forma, contribui para que os fundadores ou gestores de *startups* utilizem os achados desta pesquisa para aprimorarem sua atuação.

**Design/metodologia/abordagem:** Caracteriza-se por ser uma pesquisa exploratória e de natureza qualitativa. Para tanto, utilizaram-se entrevistas semiestruturadas como técnica de coleta de dados em 16 *startups*.

**Resultados:** Verificou-se que nas *startups* prioriza-se o trabalho em equipe, o ambiente de trabalho é informal e o desenvolvimento de competências ocorre no próprio ambiente de trabalho, por meio do autodesenvolvimento ou de treinamentos ministrados pelos profissionais especializados ou pela liderança. Existe flexibilidade no horário, no local, na forma de execução das atividades e o funcionário pode atuar em atividades que não seriam de responsabilidade do cargo exercido.

**Palavras-chave:** alta performance, desenvolvimento de pessoas, *startups*, competências, gestão de pessoas



## INTRODUCTION

In the economic scenario, the importance of startups is unquestionable. According to Fonseca (2016), despite the economic recession that brought difficulties to many companies, in 2016, the startups managed to grow, supported by the interest of large corporations in innovative businesses.

Another fact that confirms its importance is the significant increase in the number of these companies, from 2,519 startups registered in the Brazilian Association of Startups in 2012 to 5,147 in 2017 (Agência Brasil, 2018) and until July 2019, the number of startups had already reached the mark of 13,016 (Brazilian Association of Startups, 2019) evidencing an increase of 416.7% compared to 2012.

Startups are characterized by acting in an innovative way and in an environment of uncertainty (Brazilian Association of Startups, 2019; Gitahy, 2016; Ries, 2012), thus differentiating themselves from conventional companies. Therefore, this requires an innovative management model (Ries, 2012), as they must have the agility to define, produce, and sell their products and services. For that, they need to act with flexibility and high performance.

Studies referring to startups sought to highlight their concepts, their characteristics, as well as the factors that led to their success (Brazilian Association of Startups, 2019; Caldart & Behlin, 2016; Campos et al., 2017; Ferri et al., 2020; Gitahy, 2016; Ries, 2012; Rocha et al., 2019). This research becomes relevant since there is an apparent lack of studies that better define how startups conduct people development practices. Above all, studies on people management have always had conventional companies as their research object, not considered startups.

Thus, this research aims to identify how people development practices in startups are configured. According to Bortoluzzi et al. (2018), Figueira et al. (2017), and Piñeiro et al. (2017), the concern with people management processes should be even greater in startups.

In order to achieve the objective, the research had an exploratory character and qualitative nature and was conducted through semi-structured interviews, using the content analysis technique as an analysis strategy.

The object of this research was startups that operated in Brazil, constituted for at least two years, and have 50 employees and people management practices. The managers of the Human Resources area or its founder or even another manager of the startup indicated by one of them were interviewed, as long as they knew in depth the processes of people development within the organization until reaching saturation.



The research fills a gap in theory, as research showing how startups develop their professionals were not found in the management journals of the Web of Science portal. This theoretical gap suggests that the Human Resources management professionals of these organizations, and even their founders, can use practices that are adequate to their realities, as they are more suited to environments of uncertainty, innovation, flexibility, and speed: characteristics of startups.

## THEORETICAL FOUNDATIONS

### Startup

According to the Brazilian Association of Startups (2019), a startup can be defined as

[...] a moment in the life of a company, where a multidisciplinary team seeks to develop an innovative, technology-based product/service that has a business model that is easily replicated and can be scaled without a proportional increase in its costs.

Based on Ries' definition (2012, p. 26), that a startup is “a human institution, designed to create a new product or service under conditions of extreme uncertainty”; on the contents of chapter II, article 5, item I of the statute of the Brazilian Association of Startups, which establishes that startups are nascent companies based on technology and innovation operating in uncertain environments; and even on the concept of Gitahy (2016) that a startup is a group of people looking for a repeatable and scalable business model, working in unstable conditions; it can be established that innovation and operation in an environment of uncertainty are characteristics of a startup and differentiate it from conventional companies, because according to Ries (2012, p. 27),

[...] starting a new company, which is a clone of an existing business, copying business models, pricing, target customer and product, may even be an attractive economic investment, but it is not a startup, as its success depends only on execution.

Thus, the author understands that startups need their own management model and must have the customer as their main objective because



founders must find the right piece to create so that customers want it and are willing to buy it as quickly as possible.

Gitahy (2016) and Figueira et al. (2017) also consider that startups should be “a business model capable of producing the same product or service on a large scale, without it being adapted for each type of customer and without the costs keeping up with the company’s growth.”

The market needs to drive companies to innovate. In startups, innovation is in their essence, in their competitive strategies, and in their reason for existing because innovation differentiates startups from other companies (Ries, 2012; Piñeiro et al., 2017; Rocha et al., 2019; Ferri et al., 2020).

Innovation, a characteristic of startups, transforms the defined market, destroying the current production process, altering competitive dynamics, and creating new business possibilities with creativity in environments of uncertainty and risk (Campos et al., 2017; Piñeiro et al., 2017). Figueira et al. (2017) and Frederiksen and Brem (2017) consider startups as young, extremely innovative companies that seek to develop a scalable and repeatable business model under conditions of extreme uncertainty.

Another big challenge for startups is to evolve in the lifecycle stages of the market to reach maturity and scalability. This characteristic is essential in constantly changing markets (Ries, 2012; Piñeiro et al., 2017).

For Ries (2012), startups need methods that help in environments of extreme uncertainty and new types of leadership. They exist to allow the continuous evolution of the global market, creating products to meet consumer demands.

## People development

According to Dutra (2016), the environment in which we live requires a people management model that encourages and supports the mutual development of the organization and people and must guide this development in a clear, simple, and flexible way. Furthermore, according to the author, organizations need to be concerned with all the people with whom they have a working relationship, regardless of the form of legal contracting.

According to Braga et al. (2017), both the professionals and the Human Resources area of the companies must act as business partners: contributing to the company achieving its organizational goals, providing support to the management, and also working in favor of the employees’ interests by enforcing the legislation, thus revealing a certain ambiguity in the role to be played by these professionals.



According to Figueira et al. (2017), the traditional methods of managing and developing people adopted by existing companies are not as effective in the context of startups.

Concern for employees should be even greater in startups. According to Bortoluzzi et al. (2018), in organizations where technological innovations occur frequently, human resources have been a key element in achieving their goals once their skills become essential attributes for producing and selling products and services.

With the implementation of consistent people management and development practices, synergies are established, and startups are able to achieve better business performance (Ulrich & Dulebohn, 2015; Carbonell et al., 2018).

Innovative and integrated people management and development practices significantly impact business results (Ulrich & Dulebohn, 2015; Dutra, 2016). This will occur if the startup properly structures these practices to the characteristics of the business and the company's culture without being carried away by fads or the ease of simply copying the practices of another successful company.

To conduct their activities, that is, to put people development actions into practice, startups, given their characteristics, need a people management system that enables high performance because, as already mentioned, the company must create an innovative product or service that immediately arouses the desire for acquisition by customers, in an environment of uncertainty, with flexibility and speed.

Thus, the startup is characterized as a type of innovative high-performance company precisely because it adopts high-performance work systems, described as "a set of integrated management practices, structured to enhance hard and soft skills, employee engagement and results, also leveraging the company's results" (Datta et al., 2005; Chi & Lin, 2011; Lee & Bang, 2012; Souza et al., 2015).

Companies that adopt high-performance work systems have the following characteristics in terms of people development:

1. in processes to improve new skills in work groups, encourage teams to act more flexibly and become multitasking teams (Macky & Boxall, 2008; Souza et al., 2015);
2. as employees have greater autonomy and control, they see more meaning in their work and feel more valued (Appelbaum et al., 2000; Hughes, 2008; Souza et al., 2015);
3. potentiate an increase in the workload for employees and generate more stress on them, consequences of the reduction of employees in the work



- teams and the increase in responsibility for results (Hewlett & Luce, 2006; Sparham & Sung, 2007; Green, 2000; Souza et al., 2015);
4. training is frequent, and teamwork is encouraged and established as a priority (Appelbaum et al., 2000; Macky & Boxall, 2008; Souza et al., 2015); management models feature cross-functional teams and job rotation (Huselid, 1995; Hartog & Verburg, 2004; Souza et al., 2015); design of broader positions, with more flexible functions and fewer hierarchical levels (Hughes, 2008; Souza et al., 2015).

Innovative companies such as startups adopt a high-performance work model, as it enables gains for both the employee and the company (Hartog & Verburg, 2004; Bashir et al., 2012), provides greater employee commitment (Souza et al., 2015), and committed employees tend to dedicate themselves more to meeting the deadlines assigned to them, even if they are short (Green & McIntosh, 2001).

Another aspect that stands out is that by investing in training and development, startups prepare their employees to work in teams; establish information sharing, ensuring that the necessary skills for the business are developed; encourage employees to work autonomously, thus enhancing the essential characteristics of startups, such as innovation, scalability, repeatability, and flexibility.

Thus, training and development processes in organizations are key factors for innovation, prepare employees for the constant changes that occur in organizations and provide the acquisition of knowledge and new skills that are fundamental for the creation and development of new products (Genari & Macke, 2018); in high-tech environments, knowledge and skills become resources with great added value for the business (Genari & Macke, 2018).

In knowledge-intensive organizations, and technology-based companies, where their activities are knowledge-intensive, knowledge in these organizations is an important resource and must be transmitted to the market through their products or services; such as in startups, employees use new knowledge to solve complex problems and have high cognitive skills (Bortoluzzi et al., 2018).

According to Dutra (2016), a people training and development plan ensures the continuous acquisition of new knowledge and skills to meet technological innovations and can include formal and informal learning. In formal learning, organizations can structure training activities, such as internal training, seminars, or lectures given by managers; external training conducted by educational institutions; or total or partial payment of formal education courses, such as undergraduate or graduate degrees or even languages.



According to Bortoluzzi et al. (2018), informal learning can be developed through self-learning, which takes place when an employee with an intentional and conscious objective wants to develop in a specific activity in an individual or group project or with the help of a more experienced professional.

Other forms of development through informal learning are in the execution of the work itself, known as incidental learning, or through socialization that occurs unconsciously in everyday life, such as incorporating values and behaviors and developing skills and knowledge.

Also considered an informal development action, although stimulated through culture and management processes, the job rotation in the work environment collaborates with the learning process; favors the sharing of information; and helps the company to synthesize existing knowledge, especially in companies focused on innovation and development of new products, such as startups (Genari & Macke, 2018).

## METHODS/ANALYSIS

Considering that the research aims to identify how people development practices in startups are configured, the investigation had an exploratory character because people development practices in startups are little known, with a qualitative approach. The object of this research is startups operating in Brazil, in the city of São Paulo, with at least 50 employees, established at least two years ago because as two fiscal years have already passed, it is believed that this is the time when people management processes are already settled within the organization.

The number of startups interviewed was defined when saturation was reached, which occurred in the 16th interview.

The technique to collect data was the semi-structured interview, which aims to understand the meanings that respondents attribute to the topic of interest in the research. It is flexible, even though it is based on a pre-established script, allowing the respondent to speak personally and may have a different logic from the interviewer. This type of interview is indicated when the research topic is complex, little explored, or confidential (Godoi et al., 2010).

The interviews took place during November and December 2019, on the premises of the startups or by telephone. All were recorded with the prior consent of the professionals interviewed through a consent form. The anonymity of participants and startups was preserved.

Professionals in leadership positions were interviewed because they are considered key elements of the research and act as developers of people in their organizations. The study’s objective was to verify the processes of people development in startups from the point of view of people managers.

The interview script used was prepared based on the literature on high-performance work systems and is shown in Table 1.

**Table 1**  
*Interview script*

Questions	Authors
How are new skills developed within teams?	Macky and Boxall (2008) and Souza et al. (2015)
How is the autonomy that employees have established? How do employees feel when they have more autonomy?	Appelbaum et al. (2000), Hughes (2008), and Souza et al. (2015)
Since employees have more responsibilities, teams are lean and need to present quick results. Is it understood that this generates an increase in the level of stress for employees? How do you handle it?	Hewlett and Luce (2006), Sparham and Sung (2007), Green (2000), and Souza et al. (2015)
How often and how is training given to teams? How is group work encouraged?	Appelbaum et al. (2000), Macky and Boxall (2008), and Souza et al. (2015)
Are teams cross-functional?	Huselid (1995), Hartog and Verburg (2004), and Souza et al. (2015)

*Source:* Elaborated by the authors.

First, the interviews were transcribed and then exported to the Atlas TI software to support content analysis. Based on Bardin (2004), the content of the interviews was analyzed to find topics that would allow the inference of knowledge related to the production/reception of these messages. The citations of the respondents were coded and analyzed in terms of the recurrence of ideas and grouped into categories of analysis based on the literature review.

Subsequently, one category and three subcategories were defined to enable both the description of the phenomena discovered during the research and the representation of the information obtained during the interviews through a scheme, as shown in the next section (Table 2). The category and subcategories created were respectively titled “people development,” with the subcategories “organizational environment,” “skills development,” and “team development.”

## RESULTS

The field of action of these organizations, the time of existence, as well as the number of employees in each one of them, is as varied as possible, as shown in Table 2:

**Table 2**  
*Characteristics of the interviewed startups*

	Characteristics of the startups	Number of startups (16)
Startup type	Fintechs	4
	Systems development and implementation	3
	Delivery services	3
	HR services	3
	Specialized services	3
Time of existence	From 2 to 3 years	2
	From 3 to 4 years	2
	From 4 to 5 years	3
	From 5 to 6 years	3
	Over six years	6
Number of employees	From 60 to 100	2
	From 101 to 200	2
	From 201 to 300	2
	From 301 to 400	3
	From 401 to 500	6
	Above 500	1

*Source:* Elaborated by the authors.

The startup starts to be considered a conventional company when it validates a sustainable business model, becomes a profitable company, and usually no longer has a lean team with a cross-functional profile to meet all demands or is bought by an already consolidated company. None of the startups interviewed was considered a conventional company.

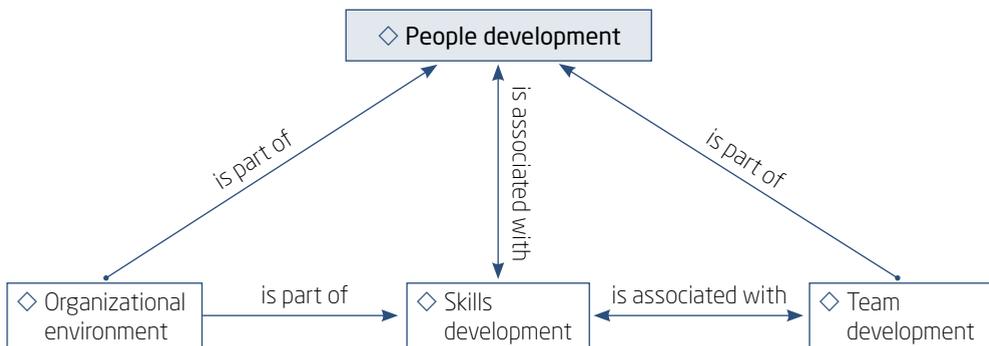
For each startup, a professional in a leadership position was interviewed. This was due to the fact that these professionals play strategic roles in startups and participate in the people development processes of the startups they represent.

Most respondents are male and have up to three years of experience in startup management and up to 40 years. Respondents represent leaders in the Operations, Human Resources, or Commercial areas and have diverse qualifications, most of them in Administration, Computer Science, and Engineering.

The development of people in startups is fundamental for internalizing the startup's people management model and culture in people.

As shown in Figure 1, in startups, people development occurs through the organizational environment, creating a work environment with a structure and organizational climate different from traditional companies. These factors are considered competitive differential for startups. Through the development of skills practiced by startups, they can guarantee their competitiveness and capacity for innovation. Through the development of teams that are part of the startup's essence, they can have cross-functional teams to meet their demands with flexibility in an environment of uncertainty.

**Figure 1**  
*People development in startups*



Source: Elaborated by the authors.

Then, each of the subcategories of people development was addressed. Out of a total of 16 respondents, the organizational environment was mentioned by 13 respondents, skills development by 11, and team development by 15.

## Organizational environment

The organizational environment is part of the development of people in startups as it stimulates the exchange of information, encourages innova-

tion and the exchange of knowledge, and enhances employees' autonomy. Startups create an informal work environment where employees feel heard, and their individuality is respected. They encourage cooperation between people and periodically conduct surveys to identify employee satisfaction with the management practices adopted, autonomy, and the relationship with leaders. Seeking to maintain environments with high-performance people management systems, as indicated by Souza et al. (2015).

Particularly here at the startup, we have a very comfortable office. The organizational climate for people is very quiet. I usually stay an extra hour a day. Most of them work their own hours. People seem happier here than in the companies I worked for (traditional); I have 20 years in other companies. The startup really cares about its employees and making them happy. I have never seen a company that cares so much about the well-being of its employees and applies so many surveys to measure the environment. They want to make employees happy for the result to be better. Create an enabling environment for people to feel comfortable to feel heard (I2).

So that people do not feel constantly overwhelmed, we have an informal environment. Everyone can work in shorts. We have coffee, cookies, snacks, flexible hours, and remote work. We do parties and happy hours often. We also have raffles at these parties, with various prizes for those who participate, such as books, speakers, movie tickets, and trips (I7).

In order to enhance the innovation, flexibility, and speed characteristics of startups, the work environment encourages employee autonomy in decision-making, fewer time controls, establishing flexible hours, and remote work in all interviewed startups. These processes are not for all areas. In areas where the employee's physical presence is essential for the performance of activities, flexibility is dosed according to the work demand and leadership decision.

We say, "I need you to hand this over to me. How you do it does not matter. Feel free to do as you see fit" (I8).

People Culture (Human Resources area name) constantly applies surveys to find out how people are feeling. To understand what must be done so that the environment and autonomy positively affect people (I6).



Everyone has a lot of autonomy, or rather to some extent. Regarding the performance of activities, flexible hours, and suggestions for work, everyone has a lot of autonomy. Now, the most strategic or customer-related decisions are up to the managers (I15).

Hewlett and Luce (2006), Sparham and Sung (2007), Green (2000), and Souza et al. (2015) point out in their research the relationship between autonomy and increased stress. In startups, due to the great autonomy that employees have and the self-demand for results, stress in the work environment was pointed out by several leaders as a striking characteristic of startups. Knowing this, many startups have actions to minimize the impacts of stress on the organizational environment, as highlighted by I9.

Everyone has a lot of autonomy, and I see this as a weak point. Because from the moment you empower people, you have to have great control because there are many people who say things over and over again and try to cut the path to reach the result, trying to streamline the process. Many do not try to understand how processes work from beginning to end. Then people have an idea to innovate because they are being affected by the process in another area or because they know the process and give some suggestions to benefit. Even if it harms and does not help the area affected by the suggestion and generates great stress in the work environment (I5).

The pressure is really great, and it generates stress. But we have a place for massage, shiatsu, personal care, hairdresser, barber, rest, and game table. There are a lot of other things to make employees feel lighter. All-you-can-eat breakfast, in the middle of the day, fruit, juice, soda, sparkling water, beer, energy drinks, coffee machines, those things people like, popcorn, and on Fridays, ice cream at the office. There are a lot of goals, pressure for results, and a lot of change, but in contrast, the company offers comfort to the employees (I9).

Stress exists and is very manageable. As we are a fintech, we have access to the CEO, which makes things easier. We have a gym and a really cool space for employees. Sometimes we have massages for people (I10).

The organizational environment enhances the development of people in startups. An informal environment, with infrastructure and support for employees (including food), without the rigidity of a physical (compartment-



talized rooms) and organizational (rigid hierarchical structure) structure that prevents the exchange of information, contributes to the development of hard and soft skills and the development of teams.

It is observed in I2 and I7 that because the company is concerned with an informal layout (Ferri et al., 2020), employees immediately perceive that the startup prioritizes “happiness” in the work environment. However, this may actually represent compensation in the face of social control and demand internalized in employees. The autonomy and flexibility illustrated in the citations of I6, I8, I9, and I15 are confronted with the excess of stress observed (Hewlett & Luce, 2006; Sparham & Sung, 2007; Green, 2000; Souza et al., 2015), for example, in I9 and I10. Although startups present the idea that employees have autonomy and control over their own activities (Appelbaum et al., 2000; Hughes, 2008; Souza et al., 2015), this proves to be a convenient and efficient way to internalize the demand and total donation of employees to the startup’s mission.

## Skills development

In startups, skill development processes are constant and, in most cases, informal. Aiming at self-development, professionals develop in the work environment with readings, online courses, and tutorials. The company encourages these practices and provides resources and an environment for this process, which has the support of leaders.

In startups, the employees must develop complex skills, including on the job. Each professional is responsible for their own development and must constantly improve.

Technical skill is essential for the startup’s processes to remain innovative and competitive and to meet startup characteristics, such as repeatability, flexibility, and scalability.

Skills development is associated with team development as people transfer knowledge from one to another.

All the startups interviewed develop technical skills (hard skill competencies) in the startup environment itself, with initiatives by professionals supported by the companies.

It is observed that the respondents highlighted that the training is, in some cases, regular or according to demand, as in the case of I6, whose training is directed to operational aspects related to the startup’s business.

We have some training almost monthly, including training in the areas of compliance and information systems. In the commercial



team, we try to learn almost daily. People are required to learn. When there is a new product or process improvement, we put everyone in the room and replicate the contents (I6).

We have a digital platform where any employee can conduct the training they deem necessary, free of charge. When the employee is new, the manager can appoint one, if necessary. In addition, there is the onboarding of new employees, for two days, with HR to understand the culture and the company (I13).

Technical skills are developed through feedback and assignment of new tasks, which will improve the new skills. Inclusion tasks in projects or squads (I9).

The development of skills is constant, as suggested by research by Macky and Boxall (2008) and Souza et al. (2015). Some of the actions used to develop skills in startups are workshops given by leaders or specialized professionals, feedback provided by leadership, encouragement of self-development through studies, taking on new challenges, and online courses.

The “devs” (developers) do some training and are always catching up. They are self-taught. Their training is out of the traditional. They go to professional meetings. The company allows and encourages them to participate, and they are free to develop themselves at work (I2).

Technical skills, such as Excel and PowerPoint knowledge, are developed with the support of colleagues and managers on a daily basis. The feedback is made daily. The employee receives feedback on all their attitudes and behaviors, even in emails and on social networks (I3).

We have workshops that are held every week on important topics, such as innovation, new techniques, and tools. We encourage self-development. People can study in the workplace, on the internet, with books, and we have a portal for exchanging training materials and best practices. In addition to monitoring leadership, we understand that every technical leader must develop their team. We also have performance and skill evaluations for each position. Where each employee, after the evaluation, receives feedback to develop the skills that are necessary for their position (I7).



Startups should also be concerned with developing soft skills, as innovation is conducted as a team, and the relationship is essential so that there is learning with the exchange of information, as well as mutual help in the work environment. Seven citations of executives were identified who stated that the startup has skills development actions related to people management (soft skills).

We have many monthly and bimonthly trainings for managers on people management. More soft skills than hard skills. So that they learn to manage people, to mobilize their team, we have a culture in that people should pursue and develop hard skills on their own (I11).

We have initial training on expected behaviors, and then we work with professional coaches to develop behavioral skills in employees (I4).

The development of skills is continuous and encouraged in startups. Many startups interviewed are considered “talent developer” companies, providing technical and behavioral learning for professionals working in these innovative environments.

Professionals and companies understand that acquiring and improving technical (hard) skills must be permanent and occur in all professional activities.

Soft skills development is stimulated through actions structured by the startup, such as feedback and workshops on people management.

Therefore, the analysis of the citations of the respondents indicated that although training and skills development are widely encouraged and conducted by startups (Appelbaum et al., 2000; Macky & Boxall, 2008; Souza et al., 2015), there is an apparent imbalance between what is up to the startup and what is up to the employee. The hard skills that would require more investment in terms of time and guidance are left to the employee, who must self-develop and take responsibility for obtaining them. Furthermore, it is up to the employee to learn on the job, which signals the pragmatic and instantaneous view of these skills. Hard skills directly affect workload and demand, increasing employee stress (Hewlett & Luce, 2006; Sparham & Sung, 2007; Green, 2000; Souza et al., 2015). On the other hand, soft skills would apparently require less effort on the part of organizations, as they focus on feedback and people management workshops, which can be applied to intensify demand (e.g., I6) and optimize the generic orientation of employees.



## Team development

In addition to the organizational environment and skills development, team development is also part of people development, as startups structure activities to be conducted in teams.

Many respondents use the term “squad” (a work organization methodology) to structure their teams. Leaders are encouraged to work in self-managed teams, have autonomy, and must have the initiative to create and produce results through collective competencies.

According to Appelbaum et al. (2000), Macky and Boxall (2008), and Souza et al. (2015), knowledge-intensive organizations must utilize and form teams to generate better results. Eleven citations from executives were identified that demonstrate that the startup has processes to organize teamwork.

By the way, teamwork is stimulated by values and on a daily basis. If you are not a person who plays together, who helps others, which actually involves people, you will be demanded, because we always remember that. The manager is the main catalyst for this. He/she really involve people. If the manager is not engaged, the team does not really work. We recently started working with very multidisciplinary squads (19).

At the beginning of the startup, there was one person per area, and we had to learn to divide the activities. Today, all teams hold team meetings, and everyone shares the work, everyone asks for help, one has a say in what the other does, and we do it together. There is no one doing everything alone (18).

We do not have partitions in the offices, and everything is shared on the network. Decisions on projects are collective. People have to work as a team, and this is one of the skills evaluated by all employees. We do not want anyone withholding information. We know that everything we do will be better if done as a team (17).

Startups establish meetings and shared work environments. Leaders are guided to develop teams by sharing work and using methodologies such as Canvas.



We have a weekly meeting where we discuss what we are doing and how we can help our colleague. We exchange information, success cases, and experiences daily to help each other (I10).

We work a lot with Canvas, so every morning, we see who has a greater number of activities. That person will automatically shout out that he/she needs help on the social network, and if no one volunteers, the leaders will indicate someone to help. We have daily meetings to “calibrate” Canvas (I3).

The profile of professionals working in startups is cross-functional; employees must have broad skills and the ability and willingness to collaborate on other activities, supporting the work of Huselid (1995), Hartog and Verburg (2004), and Souza et al. (2015).

Of the 16 startups interviewed, 14 stated that the professionals working in the company are cross-functional and must be available to collaborate with the startup’s needs.

It is a 100% collaborative environment. So, if you do not know how to work as a team, it is a terrible place for you to be. If someone needs you or approaches you at any time, you have to stop doing what you are doing and help. This is normal (I11).

One of the company values is “I am what I am for what we are.” This is a vision of the partners, and they push it a lot (I2).

People help each other, exchanging information, bringing cases, new things, to improve new situations, helping each other in internal channels. To encourage, monthly campaigns with prizes and bonuses are conducted. This motivates employees to help each other with suggestions for each other’s work (I4).

Startups organize work so that it is conducted as a team. They use modern methodologies and encourage the development of a multidisciplinary profile in their professionals, believing that this profile enhances the innovation and flexibility essential in startups.

Therefore, startups practically require multifunctionality and teamwork (Huselid, 1995; Hartog & Verburg, 2004; Souza et al., 2015), which do not seem to accept employees without this profile. The idea that the employee should be versatile, flexible, and competent in teams (Macky & Boxall, 2008;



Souza et al., 2015) seems to be consolidated in startups. This contributes to employees accepting unstructured work, with greater fluidity, changes, and constant demands due to well-defined projects, which increase the workload (Hewlett & Luce, 2006; Sparham & Sung, 2007; Green, 2000; Souza et al., 2015) and internalize demand as a form of social control.

**Table 3**

***People development in startups indicates each characteristic referring to the development of people listed in the theoretical framework as applied in startups***

Characteristics of the people management processes of startups, according to the theoretical framework.	Application of the people management model in the interviewed startups
Employees must have more autonomy and control to make more sense of their work and feel valued (Appelbaum et al., 2000; Hughes, 2008; Souza et al., 2015).	Startups have initiatives for people to develop their activities with autonomy and flexibility. Professionals feel more responsible for the activities they perform.
Potentiate an increase in the workload for employees and generate more stress on them, consequences of the reduction of employees in the work teams and the increase in responsibility for results, which will impose excessive work rhythms and constant demand for employees to contribute more (Hewlett & Luce, 2006; Sparham & Sung, 2007; Green, 2000; Souza et al., 2015).	Due to the great autonomy that employees have and the demand for results, the stress in the work environment was pointed out by several companies as a striking characteristic in startups. The informal organizational environment with support infrastructure is a differential in supporting employees to minimize the impact of stress.
There must be extensive employee training, encouraging group work (Appelbaum et al., 2000; Macky & Boxall, 2008; Souza et al., 2015).	The development of skills is continuous and encouraged in startups. Soft skills development is stimulated through actions structured by the Startup, such as feedback and workshops on people management. The development of hard skills is most often a function of the employees themselves, stimulated by the startup.
Work organization should be with cross-functional teams and job rotation (Huselid, 1995; Hartog & Verburg, 2004; Souza et al., 2015).	Startups organize work so that it is conducted as a team. They use modern methodologies and encourage the development of a multidisciplinary profile in their professionals.



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There must be the development of new skills in teams to work flexibly and versatily (Macky & Boxall, 2008; Souza et al., 2015).

The informal organizational environment, both at the infrastructure and organizational level, enhances the development of people in startups, enabling the exchange of information and contributing to developing skills and teams.

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*Source:* Elaborated by the authors.

As can be seen, both in the theoretical framework and in the results of the interviews, startups adopt a specific model in people development.

First, it is observed that professionals feel more responsible for the activities they perform. On the other hand, training and development do not necessarily occur through traditional means in classrooms since startups make a lot of use of feedback and development of internal workshops, thus enabling a more individualized targeting of the characteristics and needs of each employee.

In this sense, it can be observed that flexibility permeates the entire process of people development so that the startup can always organize itself to adapt to any change that occurs in the environment in which it operates, always aiming to achieve results and encouraging teamwork, innovation, and the development of its professionals.

This process is made possible by the informal organizational environment that exists in startups, where, unlike traditional companies, there is no rigidity in the physical structure since the rooms are compartmentalized, nor in the organizational structure, thus enabling the continuous exchange of information and contributing to the development of skills and teams.

## CONCLUSIONS

This research aimed to identify how people development practices are configured in startups and had an exploratory character with a qualitative nature. For data collection, document analysis and semi-structured interviews were conducted in 16 startups using the content analysis technique.

It was observed that the people development practices in startups could be considered innovative, flexible, and adapt to the characteristics of the business.

Due to the importance shown by the managers interviewed, the organizational environment subcategory is a highlight in startups, differentiating themselves from traditional companies in several aspects, such as the infor-



mality in the way the employees dress, the way they relate to their superiors, the personalized physical structure, with meal and rooms shared by all, and also, the frequent surveys on the work environment.

It is understood that the organizational environment enhances teamwork, develops skills through the socialization of knowledge and exchange of experiences, and can facilitate innovation and collaboration with flexibility and customer focus, essential characteristics of startups.

In the organizational environment subcategory, there are also people management practices conducted by the startups surveyed, such as organizational climate surveys, guidance to employees on startup culture, development of leaders to work with startup culture and values, work environment maintenance activities, including the physical structure and the rules of coexistence or code of conduct.

Thus, the subcategory organizational environment can be considered a category of people management in startups, deserving to be analyzed in more depth in future research.

According to the analysis, it can be seen that people development practices in startups are characterized by being innovative, flexible, and centered on employees who are fundamental for the essence of the startup to exist, thus meeting the research objectives, as it identified a unique way of developing people compared to traditional companies.

Teamwork and team development is intensively practiced and encouraged. People who cannot share knowledge and relate to a team will find it challenging to conduct their work in startups. This point is critical because to have lean staff, people aligned with the company's culture and business, professionals with autonomy and capacity for innovation for the business, teams need to be cohesive and leaders very well prepared to manage and foster teams, minimizing the conflicts generated by autonomy and by the policies of suggesting improvements to other areas that the employee does not work and does not know deeply.

Skills development is encouraged and supported by startups. Mainly self-development in the work environment, where the exchange of information and knowledge is intense since many developed processes are also innovative. However, employees are required to put what they have learned into practice immediately.

Autonomy and the need for innovative, fast, and consistent results generate stress in professionals who are compensated by startups with an informal work environment, including support from leadership and the people management area.



Thus, a gap was filled in the studies conducted so far, both on startups and on the Human Resources development model, helping the founders or Human Resources managers of startups to use the findings of this research to improve their performance in an uncertain and increasingly competitive market.

The limitations of the research refer to the methodological field, specifically to the sample and data collection. Regarding the sample, the study could be conducted by addressing the employees' view, complementing the managers' view of people development practices. The research could have approached startups from other cities in addition to the city of São Paulo. The researched startups have been in the market for over two years, with people development practices already structured for the business. Because the interviews were recorded, it was noted that some respondents felt slightly afraid to express certain opinions or present details.

Future research could be conducted in-depth on people development practices by startup segments, by startups' time of existence, separated by the number of employees, and in more cities in Brazil.

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