

## ANALYSIS OF STAFFING STRATEGIES IN STARTUP COMPANIES: A QUALITATIVE STUDY IN STARTUP COMPANIES IN JAKARTA, INDONESIA

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### ABSTRACT

*The purpose of this research is to understand the planning, implementation, and evaluation of staffing strategies by startup companies to ensure their success. This study employs a qualitative approach using a case study method. Research data were obtained through observation at one small startup company, namely Investify, and in-depth interviews with 16 informants, including HR staff, HR Managers, and one CEO of a startup company. Data were coded using NVivo 12 software. The research findings reveal that staffing strategies involve several stages, including selecting job posting channels, candidate screening, and offering incentives to potential employees. The limitations lie in the research scope, focused only on startups in Jakarta, and potential bias in data interpretation. Using these research findings, practitioners can enhance workforce management effectiveness by reinforcing the company's brand through cultural communication, exploring diverse recruitment channels, and improving employee selection methods. The originality and value of this research lie in exploring workforce strategies in Jakarta's startup companies, providing insights into recruitment and selection processes that can enhance staffing strategies in startup companies.*

**KEYWORDS** Staffing Strategy, Recruitment, Selection, HR Management, Startup.



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## INTRODUCTION

The growth of startup companies in Indonesia, especially in Jakarta, has experienced a surge due to government support in accelerating digital transformation. Statistics show rapid digital economic growth (startup ranking.com). According to the website of the Ministry of Communication and Information Technology (Kominfo RI), the government actively supports startups through mentoring programs and meetings between startups and investors. However, the success of startups is often determined by human resource management (HRM) (Miller, Scahill & Warren, 2019). This study aims to understand the role of HRM in the success of startups, particularly in recruitment, as a crucial aspect closely related to performance and investor interest (Chris, 2017). A common challenge is in acquiring and managing human resources that meet the company's needs (Chaudhuri, Hirudayaraj & Ardichvili, 2018).

Effectiveness in staffing and recruitment becomes key to obtaining quality human resources that have a positive impact on company performance (Lievens & Chapman, 2019). Various staffing approaches such as internal recruitment, external recruitment, and outsourcing are used to create sustainable competitive advantages for startup companies. However, research on staffing strategies in startups is still limited, although it is important to understand how these strategies influence the success of the company (Girotra & Kaushik 2018). Therefore, using the staffing cycles framework developed by Carlson & Connerley (2003) and recruitment funnel parameters developed by Mohapatra *et al.* (2017), this study aims to expand the understanding of staffing strategies in startup companies, particularly in Jakarta, which can influence company growth and attract investor interest.

### Literature Review

#### *Staffing Strategies*

Staffing strategies require critical decision-making about the acquisition, placement, and retention of an organization's workforce. Staffing involves the processes of acquiring, placing, and retaining the workforce, which influence the organization's effectiveness. This means that how an organization manages its human resources can affect overall outcomes. There are three basic activities in staffing: recruitment, selection, and job placement. Retention management and staffing policies also play a crucial role in human resource management. Staffing strategies are both the result and contributors to human resource and organizational strategies overall. Strategic decisions regarding the level and quality of staffing are essential in achieving organizational goals (Heneman et al., 2019).

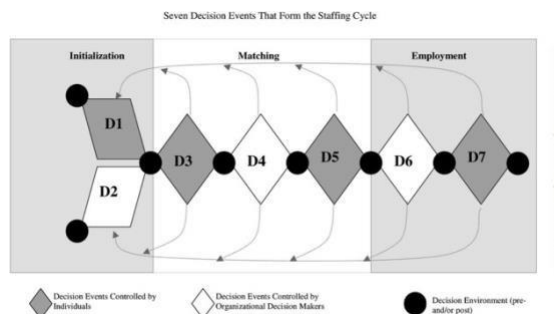
Staffing strategies are seen as meaningful for the HR processes in a company, such as recruitment and selection, which are integral parts of maintaining the company's competitiveness (Breugh & Starke, 2008). Group strategies indicate that specific types of professions and individuals are needed to implement them. Recruitment and selection are critical to a company's success. An educated, skilled, and

expert workforce is a potential basis for a company's competitive advantage (Khandekar & Sharma, 2005).

The startup or software industry seeks applicants with specific competencies such as innovation, team building (both domestic and global), and quick problem-solving skills. Moreover, this industry has distinct characteristics such as high turnover, intense domestic and global competition, and a highly project-based recruitment approach. Thus, staffing (recruitment and selection) has become a highly important function, and domestic HRM leaders continuously seek different practices to attract, recruit, and retain talent to maintain sustainable competitive advantages (Ghosh & Geetika, 2007).

### ***The Cycle Framework in Staffing Strategy***

Staffing is a complex organizational function that determines the flow of prospective employees into and out of the organization. It can be said that within staffing strategies, there are dynamic and diverse actors, contexts, and activities that play out over time. The emergence of specific disciplines (e.g., job analysis, recruitment, selection, career development) has enhanced our understanding of staffing by allowing us to break it down into more manageable parts. Staffing practitioners engage their organizations as an integrated whole, combining dynamic environments, various sources of influence, and interrelated activities. To function effectively in an increasingly competitive environment, both organizational decision-makers and individual job seekers need to better understand how the parts of the staffing system work together to influence staffing outcomes (Carlson & Connerley, 2003).



**Figure 1. Staffing Cycles Framework**

### ***Evaluation of the Effectiveness of Staffing Strategy***

The recruitment funnel parameters framework is one framework that can be used to evaluate and optimize staffing strategies, particularly in the recruitment process. The parameters developed by Mohapatra *et al.* (2017) help organizations identify areas for improvement and measure the effectiveness of their recruitment efforts. However, there are several considerations to keep in mind when evaluating this framework. First, the parameters included in the recruitment funnel can vary depending on the specific needs and goals of the organization. It is important for each company to determine its

own conversion rates and metrics based on their unique requirements (Soundararajan & Singh, 2017).



**Figure 2. Recruitment funnel parameters framework**

The recruitment funnel parameters framework provides a quantitative analysis of the recruitment process, but it may not fully capture the qualitative aspects of candidate experience and employer branding. It is important to consider the candidate's perspective and ensure a positive candidate experience throughout the recruitment process. In conclusion, these parameters should be adjusted to fit the specific needs of the organization and supplemented with additional metrics and considerations to provide a comprehensive evaluation (Mohapatra *et al.*, 2017). The recruitment funnel parameters framework includes Employment Brand, Sourcing, Candidate Experience, Candidate Selection, and Insight.

## RESEARCH METHOD

This qualitative study employs purposeful sampling with interviews as the primary data collection method. Qualitative research allows for the interpretation of several interesting themes in specific cases and the analysis of multiple cases (Patton, 2002). This study investigates how startup companies recruit and hire their talent or teams. The objective of this qualitative research is to provide an overview of current staffing practices and identify successful recruitment practices within the context of startup companies in Indonesia. Based on the research objects and data collection methods, this study is a case study research type on several startup companies in Jakarta, aimed at further analyzing the staffing strategies used and their evaluations. The case study approach involves steps such as careful planning, in-depth data collection, thorough analysis, and conclusions understood within the context of the case being studied (Creswell, 2018).

Qualitative research uses various data collection methods, such as interviews, observations, document reviews, and the process of feeling/sensing (Yin, 2016). Data collection techniques in this study involve the use of primary and secondary data. Primary data were obtained from interviews with sources in companies categorized as small, medium, and large startups, as well as observations at a small startup company, Investify. Meanwhile, secondary data include literature studies on staffing strategies.

To obtain the necessary information through interviews, the author used a series of interview questions based on the staffing cycle framework developed by Carlson and Connerley (2003) and the recruitment funnel parameters framework developed by Mohapatra et al. (2017), as well as research questions by Mukul and Saini (2021), modified as needed to answer how staffing strategies are implemented in startup companies, particularly in Jakarta. The interviewees in this study include HR specialists (managers and staff) and founders of several startup companies in Jakarta. The categorization of interviewees is shown in the following table:

**Table 1. Respondent Category**

| Category                          | Company Name | Company Type       | Respondent Level |            |     |
|-----------------------------------|--------------|--------------------|------------------|------------|-----|
|                                   |              |                    | HR Staff         | HR Manager | CEO |
| <b>Small &amp; Medium Company</b> | ShopVista    | E-commerce         | ✓                |            |     |
|                                   | Investify    | Fintech            | ✓                | ✓          | ✓   |
|                                   | Greendays    | Ecogreen Tech      | ✓                |            |     |
|                                   | CashWave     | Fintech            |                  | ✓          |     |
|                                   | UrbanCarte   | E-commerce (UMKM)  |                  | ✓          |     |
| <b>Big Company</b>                | ShopNow      | E-commerce         | ✓                | ✓          |     |
|                                   | StoreLink    | E-commerce         | ✓                |            |     |
|                                   | EduLink      | Edutech            | ✓                |            |     |
|                                   | TalentQuest  | Talent Marketplace |                  | ✓          |     |
|                                   | ProSearch    | Talent Marketplace |                  | ✓          |     |
|                                   | Cartopia     | GPS Tracker        |                  | ✓          |     |
|                                   | Click        | On-Demand Platform | Mobile           |            | ✓   |
|                                   | Technolink   | Teknologi          | ✓                |            |     |

Source : analyzed by the author (2023)

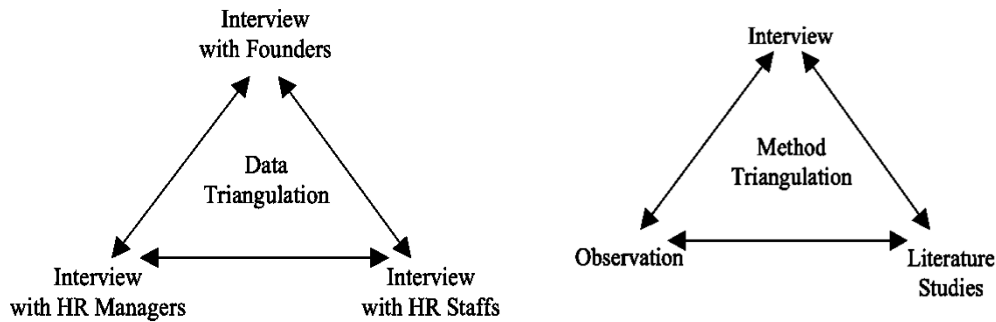
The categorization of startups is based on company size: small and medium companies have 5 to 250 employees and have been established for one to two years, while big companies have more than 250 employees and have been established for more than two years.

## RESULT AND DISCUSSION

Qualitative data analysis is inductive, which is an analysis based on data obtained through interviews or observations. This data is then developed into hypotheses. Initial themes are identified with a number of notes that describe the main ideas of each theme

in the transcript (Roques *et al.*, 2022). These emerging themes are interpreted by the researcher using repeated theme interpretations from the transcripts, resulting in meanings that can be synthesized into a table of organized themes with quotes for each theme. The researcher uses thematic analysis to analyze the data. Interview transcripts are analyzed thematically with qualitative data in the form of understanding, sources, barriers, content, and expectations (Beng *et al.*, 2022).

To enhance the validity and reliability of the data in this study, the researcher uses data and method triangulation, which involves using more than one informant and data collection technique to obtain the same data. Data triangulation in this study includes obtaining data on the research focus by interviewing several sources in several startup companies in Jakarta, including HR specialists (managers and staff) and the company's founders. Method triangulation in this study includes several methods such as interviews, direct observations for approximately six months to explore staffing strategies at a startup company (Investify), and literature studies. Thus, the data obtained will be depicted as follows :



**Figure 3. Triangulation**

### **Categorization of Startup Companies**

Startup companies can be categorized based on various factors, including the number of employees and the length of time they have been established. These criteria are used to describe the stage of development and the relative size of the startups. According to data from Kominfo (2019), the following are some common criteria:

1. Based on Number of Employees:
  - a. Micro Startup: Typically has fewer than 5 employees. These startups are often initiated by one or two founders and have a very small team.
  - b. Small Startup: Usually has 5 to 50 employees. They have moved beyond the initial stage and may have further developed their product or service.
  - c. Medium Startup: Generally has 50 to 250 employees. These startups may have experienced significant growth and might have entered a broader market.

- d. Large Startup: Has more than 250 employees. These startups have reached a larger size and can be considered potential industry leaders.

2. Based on Length of Establishment:

- a. Early-Stage Startup: Startups that are still in the early stages, usually operating for one year or less, and in the product development and experimentation phase.
- b. Growth-Stage Startup: Startups that have been operating for one to two years and have achieved significant growth in terms of revenue and customers, aiming to accelerate their growth.
- c. Mature Startup: Startups that have been operating for more than two years and have established themselves in their market, potentially seeking international expansion or further growth.

All the startup companies involved in this research have their names anonymized. The categorization of these companies is presented in the following table:

**Table 2. Categorization of Companies**

| Company Name | Company Type              | Company Size        |       |        |       | Company Categories |              |        |
|--------------|---------------------------|---------------------|-------|--------|-------|--------------------|--------------|--------|
|              |                           | Number of employees | Small | Medium | Large | Early-Stage        | Growth-Stage | Mature |
| ShopVista    | E-commerce                | 105                 |       | ✓      |       |                    | ✓            |        |
| Investify    | Fintech                   | 50                  | ✓     |        |       | ✓                  |              |        |
| Greendays    | Ecogreen Tech             | 79                  |       | ✓      |       | ✓                  |              |        |
| CashWave     | Fintech                   | 58                  |       | ✓      |       |                    | ✓            |        |
| UrbanCarte   | E-commerce (UMKM lokal)   | 80                  |       | ✓      |       |                    | ✓            |        |
| ShopNow      | E-commerce                | 4485                |       |        | ✓     |                    |              | ✓      |
| StoreLink    | E-commerce                | 6200                |       |        | ✓     |                    |              | ✓      |
| Edulink      | Edutech                   | 4023                |       |        | ✓     |                    |              | ✓      |
| TalentQuest  | Talent Marketplace        | 1032                |       |        | ✓     |                    |              | ✓      |
| ProSearch    | Talent Marketplace        | 200                 |       | ✓      |       |                    | ✓            |        |
| Cartopia     | GPS Tracker               | 2642                |       |        | ✓     |                    |              | ✓      |
| Click        | On-Demand Mobile Platform | 10000               |       |        | ✓     |                    |              | ✓      |
| Technolink   | Teknologi                 | 280                 |       |        | ✓     |                    |              | ✓      |

**Source : analyzed by the author (2023)**

The data in this study were obtained from in-depth interviews with respondents who agreed to participate in the research. The interviews lasted approximately 45-60 minutes and were recorded with the informants' consent to ensure the accuracy of the interviews. A semi-structured interview format was followed to capture the responses accurately in the informants' own words. The respondents in this study included HR specialists (managers and staff) as well as founders or CEOs of several startup companies in Jakarta. The data from the respondents are presented in the following table:

**Table 3. Respondent's Data**

| Respondent | Company Name | Gender | Working Period |       |      | Title    |            |     |
|------------|--------------|--------|----------------|-------|------|----------|------------|-----|
|            |              |        | <1yr           | ≥ 2yr | >5yr | HR Staff | HR Manager | CEO |
| 01         | ShopVista    | Female | ✓              |       |      | ✓        |            |     |
| 02         | Investify    | Female | ✓              |       |      | ✓        |            |     |
| 03         | Investify    | Female |                | ✓     |      |          | ✓          |     |
| 04         | Investify    | Male   |                | ✓     |      |          |            | ✓   |
| 05         | Greendays    | Female |                | ✓     |      | ✓        |            |     |
| 06         | CashWave     | Female |                |       | ✓    |          | ✓          |     |
| 07         | UrbanCarte   | Female |                |       | ✓    |          | ✓          |     |
| 08         | ShopNow      | Female |                | ✓     |      | ✓        |            |     |
| 09         | ShopNow      | Female |                |       | ✓    |          | ✓          |     |
| 10         | StoreLink    | Female |                | ✓     |      | ✓        |            |     |
| 11         | EduLink      | Female | ✓              |       |      | ✓        |            |     |
| 12         | TalentQuest  | Female |                | ✓     |      |          | ✓          |     |
| 13         | ProSearch    | Female |                | ✓     |      |          | ✓          |     |
| 14         | Cartopia     | Male   | ✓              |       |      |          | ✓          |     |
| 15         | Click        | Female |                |       | ✓    |          | ✓          |     |
| 16         | Technolink   | Female |                | ✓     |      | ✓        |            |     |

Source : analyzed by the author (2023)

**Definition of Staffing Strategy**

A staffing strategy involves the acquisition, placement, and retention of the workforce, which influences the effectiveness of an organization. It encompasses three main activities: recruitment, selection, and job placement. Respondents from various startups describe staffing as the process of identifying and placing human resources, whether from internal or external company needs. This is closely related to the organization and management of human resources within the company. A staffing



strategy plays a crucial role in attracting and placing talent that aligns with the company's needs. Respondents stated that this strategy involves planning, recruitment processes, skill testing, and candidate background assessments. Essentially, a staffing strategy is how a company prepares for and attracts the right talent according to its needs. Staffing strategies can also vary based on the company's industry, affecting approaches in recruitment and employee placement strategies.

### **Planning Staffing Strategy in Startup Companies**

Planning a staffing strategy in startup companies emphasizes the role of line managers in developing and implementing staffing strategies. This involves planning, resource allocation, and outcome measurement, while HR staff support understanding strategic staff placement and provide assistance as internal consultants. Talent needs analysis in startups includes internal factors such as budget, policies, and company culture, as well as external factors like market trends and competition. These factors influence staffing strategies and HR planning in various startup contexts. Companies also consider aligning staffing strategies with business strategies, hiring priorities, candidate selection criteria, contract flexibility, startup market influence, and product development. Strategies to attract talent involve using employer branding, company values (Employee Value Proposition), collaboration with third parties, and matching candidates with company culture.

### **Implementation of Staffing Strategies in Startup Companies**

The implementation of staffing strategies in startup companies is a crucial process in determining the success and growth of an organization. In this context, focus is given to methodologies, processes, and effective new tools in implementing strategic staffing strategies. An effective implementation model is described, emphasizing the role of line managers in developing and implementing staffing strategies. Recruitment strategies are also discussed, from sourcing to selection, including the use of social media, employee referrals, and recruitment platforms like LinkedIn and JobStreet.

1. Initialization Phase: The staffing strategy includes the preparation of job descriptions, qualification analysis, and comparison with the labor market. Both external and internal recruitment are discussed in detail, highlighting the importance of strategic planning in selecting resources that match the company's needs. Recruitment practices by various types of startups, from medium to large, are explained, including technical tests, background checks, and employee referral hiring.
2. Matching Phase: This phase considers the alignment between candidates and job offers, including clear communication regarding working conditions, salaries, and benefits offered. The selection process involves cognitive tests, technical interviews, and the use of assessment tests or project-based tasks to assess candidates' abilities in-depth. Job offers focus on effective communication between the company and candidates, particularly in salary and benefit negotiations.

3. **Employment Phase:** This phase discusses the company's decision-making related to employee retention and onboarding. The onboarding process in startup companies includes the introduction to company culture, product knowledge, and, if applicable, handover processes from previous employees. Employee assessments and the distinction between permanent and contract employees are also discussed as part of the staffing cycle in startup companies.

### **Evaluation of Effectiveness**

Evaluating the effectiveness of staffing systems, staffing strategies, and the results of implementing staffing strategies in startup companies includes examining parameters for evaluating staffing strategies and improving staffing strategies. The main themes are effectiveness evaluation and staffing strategies in the context of startup companies. Evaluating the effectiveness of staffing systems includes assessing processes, standards, cycle times, operational costs, and legal compliance. Staffing strategies involve workforce planning, budget management, aligning business needs with employee skills, and enhancing communication between HR and users to ensure efficiency in the recruitment process.

The results of implementing staffing strategies show positive aspects such as flexibility and efficiency in the recruitment process but also face challenges such as subjectivity in evaluations, budget issues, and gaps between user expectations and candidates. Parameters for evaluating staffing strategies include volume, time, and cost in the staffing process, and monitoring through recruitment funnel parameters. Additionally, measurement methods include turnover rate, probation pass rate, and performance appraisal to assess the success of staffing strategies.

Improving staffing strategies emphasizes the importance of measuring job quality and adjusting recruitment strategies to market trends. Other highlighted aspects include tracker analysis, thorough background checks, and smart budget management in the staffing process. Additionally, there needs to be adaptation, enhanced education, and training in HR and user management to reduce mismatches and improve collaboration. The aspects related to the evaluation of effectiveness and staffing strategies in the context of startup companies highlight challenges, implementation results, evaluation parameters, and steps to improve staffing strategies.

## **CONCLUSION**

This study explores staffing strategies in startup companies using the Staffing Cycles Framework (SCF) by Carlson and Connerley. In a case study illustrating staffing strategy practices in several startup companies in Jakarta, there are three main findings: 1. **Planning Staffing Strategies:** In startup companies, the primary responsibility for planning staffing strategies lies with line managers (HR). This involves talent needs analysis, the use of employer branding strategies, and alignment with company culture. 2. **Implementing Staffing Strategies:** The implementation of staffing strategies in startup companies involves several stages, such as initiation

(recruitment, sourcing), matching (selection, offers), and employment (onboarding). Each stage involves different practices, such as interviews, job offers, and dynamic onboarding processes. 3. Evaluating the Effectiveness of Staffing Strategies: The effectiveness of staffing strategies is evaluated by assessing the alignment of candidates' qualifications with position requirements. Startup companies use metrics such as turnover rate, probation pass rate, and performance appraisals to evaluate the effectiveness of staffing strategies.

The limitations of this study include the limited scope, focusing only on startup companies in Jakarta, and the potential for bias in data interpretation. By using the findings of this study, practitioners can enhance effectiveness in managing staffing by taking concrete steps such as strengthening the company brand through cultural and value communication, exploring various recruitment channels, and improving employee selection methods.

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