HUMAN CAPITAL ACQUISITION CHALLENGES AND ITS INFLUENCE ON STARTUP SURVIVAL - A STUDY ON STARTUP FOUNDERS

MA HUMAN RESOURCE MANAGEMENT
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Executive Summary

The study aimed to explore the human capital acquisition challenges faced by startup founders and examine how these challenges influence startup survival and growth. The research sought to understand the major difficulties encountered by founders during the initial stages of talent sourcing, the strategies adopted to attract and recruit potential candidates, the role of employer branding and employee branding in talent acquisition, and how recruitment challenges evolved as startups progressed from the early stage to a more stable phase of operation.A qualitative multiple case study design was adopted, involving three startup founders in Kerala. Data were collected through in-depth semi-structured interviews and analysed using Thematic Analysis.

The findings revealed that human capital acquisition is a strategic organisational challenge that extends beyond conventional recruitment practices and directly influences startup survival and long-term sustainability. Founders experienced significant difficulties in attracting highly skilled employees due to financial constraints, limited organisational visibility, competition from established organisations, and the challenge of identifying individuals who not only possessed technical competencies but also demonstrated adaptability, commitment, and alignment with the startup's vision. To overcome these challenges, founders relied extensively on professional networks, entrepreneurial communities, referrals, mentoring relationships, shared organisational purpose, employee empowerment, continuous learning, and complementary team building rather than conventional recruitment methods alone. The study further found that employer branding was primarily strengthened through organisational culture, trust, transparency, meaningful work, and positive employee experiences instead of formal branding initiatives, while the founders' backgrounds significantly shaped recruitment decisions, leadership practices, and organisational development. The study concludes that sustainable startup growth depends not only on technological innovation or financial resources but also on founders' ability to strategically attract, develop, and retain human capital. The findings contribute to the field of Human Resource Management by providing qualitative insights into startup founders lived experiences and offer practical implications for startup founders, HR professionals, and policymakers in developing sustainable talent acquisition and retention practices that strengthen startup resilience and long-term organisational success.

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CHAPTER 1

INTRODUCTION

INTRODUCTION

1.1 Introduction

Entrepreneurship has emerged as one of the principal drivers of economic development, innovation, competitiveness, and employment generation across the world. In an increasingly knowledge-based global economy, startups have become instrumental in transforming industries by introducing disruptive technologies, innovative business models, and customer-centric solutions. Unlike traditional business enterprises, startups operate under conditions of high uncertainty while pursuing scalable and sustainable business models. Their ability to identify market opportunities, rapidly innovate, and adapt to changing customer needs has positioned them as critical contributors to national economic growth and technological advancement.

Startups experience significantly higher levels of uncertainty than established organizations. Limited financial resources, rapidly changing market conditions, technological disruptions, regulatory challenges, operational complexities, and intense competition contribute to high startup mortality rates across industries. While external environmental factors undoubtedly influence startup performance, an increasing body of research suggests that internal organizational capabilities—particularly the acquisition and management of human capital—play a decisive role in determining whether startups survive and achieve sustainable growth. Human resources are often considered the only strategic asset capable of creating long-term competitive advantage because they drive innovation, organizational learning, adaptability, and value creation.

1.2 Global Startup Ecosystem and its Economic Significance

The emergence of the global startup ecosystem has fundamentally transformed modern economies by fostering innovation-led growth. According to the Organisation for Economic Co-operation and Development (OECD), entrepreneurship contributes substantially to productivity improvement, technological innovation, employment creation, and regional economic development. Similarly, the World Bank recognizes entrepreneurship as a catalyst for sustainable economic development, particularly in developing economies where startups stimulate private investment, improve market efficiency, and create new employment opportunities.

However, startup success remains inherently uncertain. International studies consistently demonstrate that a considerable proportion of startups fail within their first five years of operation due to multiple interrelated challenges, including inadequate financial resources, poor strategic planning, ineffective leadership, limited market acceptance, operational inefficiencies, and difficulties in acquiring and retaining skilled employees. Contemporary entrepreneurship research increasingly argues that startup survival depends not only on financial capital but also on the quality of human capital available within the organization.

The growing importance of knowledge-intensive industries has further increased the strategic value of human resources. Unlike conventional organizations that often possess standardized structures and established human resource systems, startups depend heavily on the competencies, creativity, adaptability, and commitment of relatively small teams. Consequently, founders' ability to acquire and manage talented employees has become one of the strongest predictors of startup performance and long-term sustainability.

1.3 Human Capital as a Strategic Resource

In the contemporary business environment, human capital is widely regarded as one of the most valuable intangible assets of an organization. Human capital encompasses the collective knowledge, education, technical expertise, professional skills, creativity, experience, attitudes, and innovative capabilities possessed by employees. Unlike physical or financial resources, human capital has the unique ability to continuously generate organizational value through learning, knowledge sharing, innovation, and problem-solving.

The significance of human capital is strongly supported by Human Capital Theory, originally proposed by economist *Theodore W. Schultz (1961)* and further developed by *Gary S. Becker (1964)*. The theory argues that investments in education, training, knowledge, and skill development enhance individual productivity, which subsequently improves organizational performance and economic growth. Organizations that effectively invest in human capital are better positioned to achieve competitive advantage because skilled employees contribute to higher productivity, innovation, improved decision-making, and organizational adaptability.

From the perspective of the Resource-Based View (RBV) of the firm, *proposed by Barney (1991),* human capital represents a valuable, rare, inimitable, and non-substitutable strategic resource. These characteristics enable organizations to develop sustainable competitive advantages that competitors find difficult to replicate. For startups operating with limited financial and physical resources, talented employees often become the most critical organizational asset capable of transforming innovative ideas into commercially viable products and services.

1.4 Human Capital Acquisition in Startup Organizations

Human capital acquisition refers to the systematic process through which organizations identify, attract, recruit, select, onboard, and retain individuals possessing the competencies necessary to accomplish organizational objectives. While recruitment and selection constitute essential components of human capital acquisition, the concept extends beyond hiring to include employer branding, workforce planning, talent attraction, cultural alignment, employee engagement, and retention strategies.

For startup organizations, human capital acquisition assumes considerably greater importance than in established corporations. Since startups generally operate with lean organizational structures and limited financial resources, each employee performs multiple responsibilities that directly influence organizational performance. Early employees frequently participate in product development, customer acquisition, operational management, innovation, strategic decision-making, and organizational culture building simultaneously. Consequently, hiring decisions made during the initial stages of a startup significantly influence future organizational capabilities.

Nevertheless, acquiring highly skilled employees remains one of the most significant challenges confronting startup founders. Unlike established corporations possessing strong employer brands, attractive compensation structures, extensive employee benefits, and clearly defined career progression opportunities, startups often struggle to compete for skilled professionals. Limited financial resources, uncertain organizational stability, high workload, ambiguous job roles, and relatively unknown organizational identities discourage many talented individuals from joining startup ventures. As a result, startup founders frequently rely on personal networks, referrals, social media platforms, entrepreneurial communities, incubators, and informal recruitment practices to identify suitable candidates.

Although these alternative recruitment approaches facilitate rapid hiring, they may simultaneously restrict access to diverse talent pools and increase the possibility of competency mismatches. Therefore, startup founders must strategically balance recruitment speed with long-term organizational capability development, making human capital acquisition one of the most critical managerial responsibilities during the startup lifecycle.

1.5 The Indian Startup Ecosystem: Growth, Economic Contribution and Government Support

The launch of the Startup India Initiative by the Government of India on 16 January 2016 marked a turning point in the country's entrepreneurial landscape. Implemented by the Department for Promotion of Industry and Internal Trade (DPIIT), the initiative was designed to build a strong startup ecosystem capable of fostering innovation, generating employment, and driving sustainable economic growth.

The impact of Startup India has been remarkable. According to the Department for Promotion of Industry and Internal Trade (DPIIT), India has crossed the milestone of over 200,000 DPIIT-recognised startups, making it the third-largest startup ecosystem globally. More than 55,000 startups were recognised during FY 2025–26 alone, representing the highest annual increase since the launch of Startup India.

1.6 Kerala Startup Ecosystem: A Model for Innovation-Driven Entrepreneurship

Kerala has emerged as one of India's most progressive states in promoting innovation-driven entrepreneurship and technology-based startups. A major institutional pillar supporting this transformation is the **Kerala Startup Mission (KSUM)**, the nodal agency of the Government of Kerala responsible for promoting technology entrepreneurship and implementing the Kerala Technology Startup Policy. Established in 2006, KSUM provides comprehensive support throughout the startup lifecycle, including ideation, incubation, mentorship, funding facilitation, market access, capacity building, investor networking, intellectual property support, and international exposure programmes. Through these initiatives, KSUM has significantly strengthened Kerala's entrepreneurial ecosystem and positioned the state among India's leading destinations for technology startups.

According to the official Kerala Startup Mission, the state currently hosts more than 8,000 registered startups, supported by over 60 incubators, 550+ Innovation and Entrepreneurship Development Centres (IEDCs), and more than 10 lakh square feet of incubation infrastructure distributed across Kerala. This extensive ecosystem enables entrepreneurs to access mentoring, technical expertise, networking opportunities, infrastructure, and financial support at various stages of business development. Such institutional support has substantially reduced entry barriers for aspiring entrepreneurs while promoting innovation across multiple sectors including information technology, healthcare, agriculture, education, biotechnology, financial technology, climate technology, manufacturing, and deep technology.

1.7 Background of the Study

Entrepreneurship has emerged as a significant driver of economic development, technological innovation, and employment generation across the world. Startups, particularly technology-driven ventures, contribute substantially to economic competitiveness by introducing innovative products, services, and business models that address emerging market needs. According to the Organisation for Economic Co-operation and Development (OECD, 2024), startups play a vital role in fostering innovation, enhancing productivity, and generating employment opportunities, making them an integral component of modern economies. However, despite their potential for growth, a considerable proportion of startups fail during their early stages of development, with research identifying organisational, financial, market, and human resource-related challenges as major contributors to startup failure.

Among these challenges, the acquisition of human capital has increasingly gained attention as a critical determinant of startup survival. Human capital extends beyond the availability of skilled employees and encompasses the knowledge, competencies, experience, creativity, and commitment that individuals contribute to organisational performance. Becker's (1964) Human Capital Theory emphasises that investment in people enhances organisational productivity and creates sustainable competitive advantage. Unlike established organisations, startups often operate with limited financial resources, uncertain organisational structures, and relatively low market visibility, making it difficult to attract and retain talented employees. Consequently, founders are frequently required to balance multiple organisational responsibilities while simultaneously identifying individuals who possess not only technical expertise but also adaptability, commitment, and alignment with the startup's vision.

India has emerged as one of the world's fastest-growing startup ecosystems, supported by initiatives such as Startup India, the Department for Promotion of Industry and Internal Trade (DPIIT), and various incubation and entrepreneurship development programmes.

These initiatives have contributed significantly to the establishment of technology startups across sectors including information technology, education technology, financial technology, healthcare, and agriculture. Nevertheless, Indian startups continue to encounter considerable human resource challenges arising from skill shortages, increasing competition for qualified professionals, employee retention issues, and limited employer recognition. While access to funding and market expansion remain important concerns, attracting and retaining competent human capital has become equally critical for sustaining organisational growth within the highly competitive entrepreneurial landscape.

Kerala has witnessed substantial growth in entrepreneurial activity over the past decade through the efforts of the Kerala Startup Mission (KSUM), technology incubation centres, innovation hubs, and academic entrepreneurship programmes. The state has increasingly positioned itself as an emerging innovation ecosystem, particularly in sectors such as EdTech, AgriTech, Artificial Intelligence, and digital technologies. Despite this progress, many early-stage startups continue to experience significant challenges in recruiting individuals with specialised technical competencies and entrepreneurial mindsets. Resource limitations, limited organisational visibility, and competition from established organisations often constrain founders' ability to acquire and retain suitable talent. Consequently, founders rely on innovative recruitment strategies, professional networks, organisational culture, and employer branding to build teams capable of sustaining organisational growth.

Existing literature has predominantly examined startup success from the perspectives of funding, innovation, entrepreneurial ecosystems, business strategy, and organisational performance. Although several studies recognise human capital as an important organisational resource, comparatively limited research has explored the lived experiences of startup founders in acquiring human capital during the formative stages of venture development. Furthermore, there is a scarcity of qualitative research examining how founders navigate recruitment challenges, develop employer branding, attract individuals who align with their organisational vision, and utilise their personal experiences and leadership capabilities to sustain organisational growth, particularly within the context of Kerala's technology startup ecosystem.

Against this backdrop, the present study seeks to explore the human capital acquisition challenges experienced by technology startup founders operating in the EdTech, AgriTech, and Technology sectors in Kerala. By examining founders' lived experiences, the strategies they adopt to attract and acquire talent under resource-constrained conditions, the role of employer branding and organisational reputation, and the influence of founders' backgrounds on organisational sustainability, the study aims to contribute to the growing body of Human Resource Management literature on entrepreneurship. The findings are expected to provide valuable insights for startup founders, HR professionals, incubation centres, policymakers, and entrepreneurship support organisations in developing

1.8 Statement of the problem

Startups are often built on innovative ideas, passion, and the determination of their founders. However, transforming an idea into a sustainable organisation is rarely a smooth journey. Along the way, founders face numerous challenges, and one of the most critical is finding, attracting, and retaining the right people to grow alongside the venture. These challenges are often shaped by limited resources, organisational uncertainty, and the personal ups and downs experienced by founders throughout their entrepreneurial journey. The way founders respond to setbacks, learn from failures, and draw upon their personal and professional experiences can significantly influence how they build their teams and sustain their organisations. Therefore, this study seeks to understand the human capital acquisition challenges experienced by technology startup founders, how these challenges influence startup survival, and how the founders' backgrounds and lived experiences shape the strategies they adopt to overcome these challenges.

1.9 Significance of the study

The startup ecosystem and the increasing participation of young entrepreneurs, particularly Generation Z, in startup ventures. Startups are increasingly perceived as attractive career and business opportunities due to the prospects of innovation, independence, flexibility, and social impact. Consequently, many individuals are entering the startup ecosystem and launching ventures without fully understanding the challenges involved in sustaining and growing an organization. Therefore, this study is significant as it provides a deeper understanding of the talent acquisition and retention challenges faced by startup founders and highlights the critical role of human capital in startup sustainability. The findings will help aspiring entrepreneurs, startup founders, policymakers, incubation centres, and entrepreneurship support institutions develop a realistic understanding of the people-related challenges associated with startups and emphasize that long-term startup success depends not only on innovative ideas and financial resources but also on the ability to build, attract, and retain the right talent.

1.10 Chapterisation

The dissertation will be presented in five chapters

- Chapter 1- Introduction, includes a brief introduction part and it includes, Statement of the problem, Significance of the study, Chapterisation.
- Chapter 2 –Review of literature, Theoretical framework, leading to finding out the research gap as the conclusion
- Chapter 3- Methodology, Research design, Axiological considerations, Research questions, Purpose of the study, Unit of analysis, Case study protocol
- Chapter 4- Data Analysis and Discussion and
- Chapter 5- Findings, suggestions and conclusion

CHAPTER 2

REVIEW OF LITERATURE

REVIEW OF LITERATURE

2.1 Introduction

The success and survival of startups are closely linked to their ability to acquire and retain skilled human capital, particularly during the early stages of business development. Unlike established organizations, startups often operate under significant resource constraints, making it challenging to attract qualified employees while competing with larger firms that offer greater financial incentives, job security, and career advancement opportunities. These human capital acquisition challenges can affect critical organizational functions, including innovation, operational efficiency, business growth, and long-term sustainability. Startup founders are therefore required to adopt strategic and innovative talent acquisition approaches, such as leveraging professional networks, employer branding, flexible work arrangements, and purpose-driven organizational cultures, to secure the talent necessary for organizational success. At the same time, the ability to acquire competent human capital is influenced by several factors, including financial limitations, labour market competition, organizational reputation, skill shortages, recruitment practices, and the broader startup ecosystem. Several researchers have examined the relationship between human capital acquisition and startup performance, highlighting both the barriers faced by founders and the strategies employed to overcome them. However, the experiences of startup founders in navigating these challenges remain relatively underexplored, particularly within the context of emerging startup ecosystems. Therefore, understanding how human capital acquisition challenges influence startup survival is essential for developing effective human resource strategies and supporting the long-term sustainability of startups. This review of literature examines existing studies related to human capital acquisition challenges and their influence on startup survival from both theoretical and empirical perspectives.

2.2. International studies

Baron and Hannan , *'Organizational blueprints for success in high-tech start-ups: Lessons from the Stanford Project on Emerging Companies', (2002*) examined the relationship between organizational models and employment practices in high-technology startups in Silicon Valley. The study aimed to understand how founders' employment blueprints influence organizational growth and long-term performance. Using longitudinal data collected from 173 technology startups under the Stanford Project on Emerging Companies (SPEC), the researchers identified different employment models adopted by startup founders and examined their impact on organizational stability and employee outcomes. The findings revealed that startups adopting coherent and consistent human resource practices experienced lower employee turnover, greater organizational stability, and better long-term performance than firms with inconsistent employment models. The study emphasized that founders' early recruitment decisions significantly shape organizational culture and influence startup success. However, the research primarily focused on organizational outcomes and did not explore the practical challenges founders encounter while sourcing and acquiring talent under resource-constrained conditions. Nevertheless, the study provides strong evidence that human capital acquisition is a strategic determinant of startup sustainability and forms an important theoretical foundation for the present research.

Hellmann and Puri , *'Venture capital and the professionalization of start-up firms: Empirical evidence', The Journal of Finance* (2002) investigated the relationship between human capital, venture capital financing, and organizational development among technology startups in Silicon Valley. The study analysed data from 170 startups to understand how professional management and recruitment practices influence organizational growth. The findings indicated that startups capable of attracting experienced professionals and building competent management teams commercialized innovations more rapidly and achieved superior organizational performance. Venture capital investors also encouraged founders to recruit experienced managers and implement formal human resource practices as organizations expanded. The study concluded that the quality of human capital acquired during the early stages significantly influences organizational development and market success. However, the research concentrated primarily on venture-backed firms and did not examine the recruitment difficulties faced by founders operating with limited financial resources. The findings nevertheless highlight the strategic importance of acquiring skilled human capital during the formative stages of startup development.

Colombo and Grilli , *'Founders' human capital and the growth of new technology-based firms: A competence-based view (2005)* explored how founders' human capital influences the growth of technology-based startups. The study examined 506 Italian technology startups and analysed the relationship between founders' education, prior work experience, and business performance. The results demonstrated that founders possessing higher educational qualifications and relevant industry experience were more successful in attracting skilled employees, managing organizational resources, and achieving sustainable business growth.

Human capital was identified as a significant predictor of startup survival and innovation capability. The authors argued that experienced founders are better equipped to recognise talent requirements and develop effective recruitment strategies. However, the study focused on founder characteristics rather than investigating the operational challenges associated with talent acquisition. Despite this limitation, the research reinforces the importance of founder capabilities in influencing human capital acquisition and organizational sustainability.

Rauch , *'The effects of general and specific human capital on long-term growth and failure of newly founded businesses', Entrepreneurship Theory and Practice, (2013)* examined the influence of human capital on the performance of small and medium-sized enterprises through a meta-analysis of existing empirical studies. The researchers synthesized evidence from numerous international studies to evaluate the relationship between entrepreneurial human capital and business performance. The analysis demonstrated that entrepreneurs' education, managerial competence, industry knowledge, and professional experience positively influence firm performance and innovation. The findings suggested that organizations possessing highly skilled human capital are better positioned to respond to environmental uncertainties and sustain competitive advantage. Although the study established the importance of human capital for organizational performance, it paid limited attention to the challenges entrepreneurs experience while acquiring and retaining talented employees. Consequently, the study highlights the need for further research focusing specifically on human capital acquisition processes within startup environments.

Klotz et al., '*New venture teams: A review of the literature and roadmap for future research', Journal of Management,* (2014) conducted a comprehensive review of research relating to founder teams and entrepreneurial ventures. Their study synthesized findings from previous empirical research to understand how founder characteristics influence startup outcomes. The review revealed that founder experience, educational background, social networks, leadership capability, and complementary skills significantly affect organizational performance, innovation, and startup survival. The authors argued that founders' ability to attract competent employees and build effective teams represents one of the most critical determinants of entrepreneurial success. However, the review primarily discussed team composition and leadership without examining the practical recruitment strategies adopted by founders or the barriers encountered during talent acquisition. The study therefore indicates the need for research investigating how startup founders acquire human capital under resource-constrained conditions.

Becker (1964), through his seminal work *Human Capital: A Theoretical and Empirical Analysis*, introduced the Human Capital Theory, which remains one of the most influential theories in human resource management and entrepreneurship research. Becker argued that investments in education, training, experience, and skill development enhance individual productivity, ultimately contributing to organizational performance and economic growth. The study emphasized that organizations should regard employees as strategic assets rather than operational costs. In entrepreneurial firms and startups, human capital assumes greater significance because employees directly influence innovation, adaptability, and business performance. Becker further argued that organizations capable of attracting and developing highly skilled individuals are more likely to sustain competitive advantage over time. However, the theory primarily focuses on the value of human capital and the returns generated through investment in employees rather than explaining the practical difficulties organizations experience while acquiring talented individuals. Consequently, although Human Capital Theory provides a strong theoretical foundation for understanding the importance of talent in startups, it offers limited insight into the recruitment and sourcing challenges encountered by startup founders operating under financial and organizational constraints. The present study extends Becker's theoretical perspective by examining how founders acquire human capital and overcome recruitment challenges that influence startup survival.

Lazear , *'Entrepreneurship', Journal of Labor Economics* (2005) examined the relationship between entrepreneurial success and individual skill diversity through the "Jack-of-All-Trades" theory. Using empirical evidence from entrepreneurial ventures, the study argued that successful entrepreneurs possess broad knowledge across multiple functional areas rather than deep specialization in a single discipline. Such diverse competencies enable founders to identify organizational talent requirements, recruit individuals with complementary skills, and manage multidisciplinary teams effectively. The findings suggested that startups led by founders possessing diverse educational and professional backgrounds demonstrated greater adaptability and improved organizational performance. However, the study concentrated primarily on founders' competencies and entrepreneurial success without examining the operational challenges involved in recruiting talented employees. Furthermore, it did not investigate how financial constraints and employer branding influence talent acquisition in startups. Nevertheless, the research provides important insights into how founder characteristics shape recruitment decisions and human capital strategies, thereby supporting the conceptual framework of the present study.

Shane and Venkataraman, *'The promise of entrepreneurship as a field of research', Academy of Management Review (*2000) proposed a comprehensive framework for understanding entrepreneurship by emphasizing opportunity recognition, resource mobilization, and venture creation. The authors argued that entrepreneurial success depends not only on identifying business opportunities but also on effectively assembling the human and financial resources necessary to exploit those opportunities. The study highlighted that founders play a critical role in acquiring and coordinating organizational resources, including skilled employees, strategic partners, and investors. Human capital was recognized as an essential organizational resource that enables innovation and competitive advantage. However, while the framework acknowledged the importance of acquiring resources, it provided limited discussion regarding the practical challenges associated with recruiting, attracting, and retaining talented employees in startup environments. The study therefore establishes a conceptual basis for investigating how founders acquire human capital but leaves considerable scope for empirical research examining recruitment challenges within technology startups.

Cardon and Stevens , *'Managing human resources in small organizations: What do we know?', Human Resource Management Review, (2004)* investigated human resource management practices within entrepreneurial ventures and argued that effective human resource management constitutes a critical factor influencing startup growth and sustainability. The study examined how startups manage recruitment, employee motivation, organizational culture, and retention despite operating under significant resource constraints. The findings indicated that founders often rely on informal recruitment practices, personal referrals, networking, and social relationships because they lack dedicated human resource departments and recruitment budgets. Although these informal methods facilitate rapid hiring, they may also restrict access to diverse talent pools and increase the likelihood of poor hiring decisions. The authors concluded that human resource practices become increasingly important as startups grow and recommended that founders adopt more structured recruitment strategies. However, the study did not specifically investigate employer branding or founders' experiences during talent acquisition. Nevertheless, it provides valuable insights into the unique recruitment challenges encountered by entrepreneurial ventures.

Williamson, Cable and Aldrich, 'Smaller but not necessarily weaker: How small businesses can overcome barriers to recruitment', *Managing People in Entrepreneurial Organizations* (2002) examined the influence of organizational reputation on recruitment outcomes among emerging organizations. The study explored whether employer reputation affects applicants' willingness to seek employment in new ventures. The findings revealed that organizations possessing positive reputations attracted significantly larger numbers of qualified applicants compared with organizations that lacked visibility or employer recognition. The authors concluded that employer reputation acts as an important signal of organizational quality, particularly when job seekers possess limited information about an organization. The study further suggested that startups experiencing weak employer branding encounter greater difficulty attracting highly skilled employees despite offering innovative work environments. However, the research focused primarily on applicant behaviour and organizational reputation without examining how founders actively develop employer branding strategies under resource-constrained conditions. These findings are particularly relevant to the present study because employer branding constitutes one of the major factors influencing human capital acquisition within technology startups.

2.3 Asian Studies

Research conducted across Asian startup ecosystems highlights the growing importance of human capital management in enhancing startup sustainability and organisational competitiveness. In Taiwan*, Tai, Uen, and Lu (2025),* in their study titled *"Effects of Employer Brand on Employee Retention in Small Startup High-Tech Companies: The Moderation of Agile Value,"* examined 51 high-technology startup firms and found that employer branding dimensions such as a healthy work environment, training and development, and compensation significantly influenced employee retention. The study further revealed that organisational agility strengthened the relationship between employer branding and employee retention, indicating that startups can improve talent retention by integrating agile work practices with a strong employer brand. However, the study primarily focused on employee retention and offered limited insights into the challenges founders experience during talent acquisition.

Similarly, in Indonesia, *Adyaksa and Arief (2024)* conducted the study *"Analysis on the Influence of Employer Branding Strategies with the Desires of Generation Z to Attract Potential Talent in the Start-Up Company: A Case Study of Andalin."* Their findings demonstrated that social value, career development opportunities, organisational culture, and economic value significantly influenced Generation Z's intention to join startup organisations. The study concluded that a well-defined employer branding strategy enhances organisational attractiveness among young professionals. Nevertheless, the research largely examined employee preferences and did not explore the perspectives of startup founders regarding human capital acquisition challenges.

Another Indonesian study by *Kurniawan, Rakhmad, Futari, and Kusnayain (2021),* titled *"How Employer Branding Attract the Generation Z Students to Join on Start-up Unicorn,"* investigated the influence of employer branding on university students' intentions to seek employment in startup unicorns. Using Structural Equation Modelling (SEM-PLS), the study found that organisational ethics, corporate social responsibility, diversity, and social media engagement significantly enhanced employer attractiveness among Generation Z. The findings emphasise that startups can strengthen talent attraction by strategically communicating their organisational values and culture through digital platforms. However, the study concentrated on employment intentions rather than examining founders' recruitment experiences or organisational challenges.

2.4 National Studies (India)

Indian literature has increasingly recognised that human capital acquisition represents a significant challenge for startups operating within highly competitive entrepreneurial environments. A comprehensive report by the *National Association of Software and Service Companies (NASSCOM) (2023), "Indian Tech Startup Ecosystem Report,"* highlights that access to skilled talent remains one of the primary barriers to startup growth in India. The report indicates that technology startups frequently encounter challenges in recruiting specialised professionals due to intense competition from established firms, skill shortages, and financial limitations, emphasising the need for strategic talent acquisition and employer branding initiatives.

Research on India's entrepreneurial ecosystem also demonstrates the significant contribution of incubation centres and institutional support towards startup development. *Nair and Blomquist (2020), in their study "The Indian Startup Ecosystem: Drivers, Challenges and Policy Implications,"* observed that incubation centres, accelerators, and entrepreneurial support institutions enhance startup sustainability by facilitating networking opportunities, mentoring, knowledge exchange, and access to skilled professionals. The study suggests that collaborative ecosystems improve startups' capacity to overcome early-stage resource constraints, including talent acquisition challenges.

Furthermore*, the Atal Innovation Mission (AIM), NITI Aayog (2022), through its report "Innovation and Entrepreneurship in India,"* emphasises that structured collaboration between startups, higher educational institutions, and innovation ecosystems strengthens entrepreneurial capabilities and improves access to emerging talent. The report recommends strengthening university–startup partnerships, incubation support, and industry engagement to facilitate sustainable human capital development within Indian startups.

2.5 Kerala Studies

Ann Rose Tom and Richu Mathew (2025) conducted a study titled **"Prospects and Challenges of Startups in Kerala"** to examine the opportunities and challenges faced by startups registered under the Kerala Startup Mission (KSUM). The study also analysed the factors influencing the scalability and sustainability of startups in Kerala. Using a structured questionnaire administered to startup founders registered with KSUM, the researchers employed **SPSS** for statistical analysis to identify factors affecting startup performance. The findings indicated that Kerala provides a favourable entrepreneurial ecosystem through government initiatives, incubation support, mentoring, and innovation-driven policies. However, the study also identified several operational challenges, including limited access to finance, shortage of skilled human resources, market competition, regulatory issues, and scalability concerns. The authors concluded that although Kerala offers a supportive ecosystem for startups, long-term sustainability depends upon strengthening institutional support, improving access to skilled talent, and enhancing entrepreneurial capabilities. Nevertheless, the study broadly examined startup performance and ecosystem challenges without specifically investigating the human capital acquisition strategies adopted by startup founders or the recruitment difficulties they experience. The present study extends this literature by focusing specifically on founder-led human capital acquisition challenges and their influence on startup survival.

Berry Holaday M.G., Derry Holaday M.G. and Ajith Kumar (2019) examined the role of the **Kerala Startup Mission (KSUM)** in accelerating Kerala's startup ecosystem through business incubation support. The study reviewed various incubation programmes, policy initiatives, infrastructure development, funding mechanisms, and entrepreneurship promotion activities undertaken by KSUM. The findings indicated that KSUM has significantly strengthened Kerala's entrepreneurial ecosystem by providing incubation facilities, seed funding, mentoring, networking opportunities, and institutional support to early-stage startups. The authors observed that the availability of structured incubation programmes has contributed to higher startup formation, innovation, and entrepreneurial confidence within the state. However, the study also highlighted challenges relating to startup scaling, commercialization, industry linkages, and sustaining business growth after incubation. Although the study discussed entrepreneurship promotion comprehensively, it paid limited attention to human resource management practices and did not examine how startup founders attract, recruit, or retain skilled employees. Therefore, while the study establishes the importance of ecosystem support for startup development, it leaves a significant gap regarding founder-led talent acquisition, which the present research seeks to address.

Praveena Vijayan (2025) investigated the **influence of Kerala Startup Mission on the entrepreneurial ecosystem in Kerala** through doctoral research submitted to the University of Calicut. The study examined the effectiveness of KSUM's programmes, support services, and policy interventions in promoting entrepreneurship and strengthening the startup ecosystem. Adopting a mixed-method approach, the research analysed entrepreneurs' perceptions regarding incubation support, mentoring, innovation programmes, funding assistance, entrepreneurial attitude, motivation, and self-efficacy. The findings revealed that KSUM has made a significant contribution to strengthening Kerala's entrepreneurial ecosystem by fostering innovation, improving entrepreneurial confidence, encouraging risk-taking behaviour, and expanding institutional support mechanisms. The study also established that startup support services positively influence entrepreneurial motivation and ecosystem development. However, despite examining startup support comprehensively, the research did not specifically investigate the challenges experienced by founders in acquiring skilled human capital or the strategies adopted to attract and retain employees under resource-constrained conditions. Consequently, the present study addresses this unexplored dimension by focusing on founder-led human capital acquisition and its implications for startup survival.

Rajeev and Krishnan , 'Startup ecosystem development in Kerala: Opportunities and challenges', *Journal of Entrepreneurship and Innovation in Emerging Economies* (2022) examined the entrepreneurial ecosystem in Kerala by analysing the role of government support, incubation centres, innovation policies, and institutional collaboration in promoting startup development. The study adopted a qualitative approach involving interviews with startup entrepreneurs, incubator representatives, and ecosystem stakeholders. The findings revealed that Kerala has established a supportive entrepreneurial ecosystem through the active involvement of Kerala Startup Mission, higher educational institutions, and technology parks. However, entrepreneurs reported several operational challenges, including limited access to experienced professionals, increasing competition for skilled employees, and difficulties in retaining technical talent. Although the study primarily focused on ecosystem development rather than human resource management, it highlighted the growing importance of skilled human capital in determining startup success. The study did not specifically investigate founders' recruitment strategies or talent acquisition practices, thereby indicating an important research gap addressed by the present study.

2.6 Research gap

Although previous research has significantly contributed to understanding startup recruitment practices, most studies have primarily adopted quantitative approaches or focused on developed economies. Comparatively fewer studies have explored the lived experiences and perspectives of technology startup founders, particularly within the Indian and Kerala startup ecosystems, using qualitative methodologies. Moreover, limited attention has been given to understanding how human capital acquisition challenges evolve throughout different stages of startup development and how these challenges directly influence organizational survival.

These identified gaps provide a strong justification for the present study. By adopting a qualitative research approach, this study aims to generate an in-depth understanding of founders' experiences, strategies, and perceptions regarding human capital acquisition. The insights obtained are expected to contribute to both academic knowledge and practical human resource management by offering context-specific recommendations for strengthening talent acquisition practices within technology startups.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Title

Human Capital Acquisition Challenges and its Influence on Startup Survival - A Study on Startup Founders

3.2 Research design

Research design used is qualitative research. This method of qualitative research design aims to gain an in-depth understanding, as this approach is particularly appropriate when a research problem has received limited empirical attention and when the objective is to understand participants' experiences, perceptions, and practices in their natural context. According to Creswell and Poth (2018), qualitative research enables researchers to explore participants' perspectives within their real-life settings, thereby providing comprehensive insights into the phenomenon under investigation, while Yin (2018) explains that qualitative inquiry involves collecting data from multiple sources, systematically analysing the information, identifying patterns and themes, and interpreting the findings to develop a comprehensive understanding of the research problem.

3.3 Research questions

General research questions

To explore how human capital acquisition challenges influence the survival and growth of startups.

Specific Research Questions

1. To identify the major human capital acquisition challenges experienced by startup founders during the early stages of startup development.

2. To explore the strategies adopted by startup founders to attract and acquire talent under resource-constrained conditions.

3. To examine the role of employer branding and organizational reputation in supporting talent acquisition and retention within startups.

4. To investigate the influence of the founder's background on the sustainability of the initiative.

3.4 Sources of Data

Data were collected using case study method, Primary and secondary data were collected using appropriate methods and techniques.

Primary sources include firsthand accounts from participants. (Startup founders). Secondary sources include biographies, dissertations, journal articles, documents, and records.

3.5 Area of Study

Technology startup founders operating in the EdTech, AgriTech, and Technology sectors who established their ventures in Kerala were included in the present study. Therefore, Kerala constitutes the study area.

3.6 Sampling

The study adopted purposive sampling, a nonprobability sampling technique in which participants are intentionally selected for their ability to provide rich, relevant information about the phenomenon being studied. According to Creswell (2013), purposive sampling is commonly used in qualitative research to identify participants who have direct experience of the issue under investigation and can provide meaningful insights into their lived experiences.

A total of three startup founders, representing three individual cases, were included in the present study. The cases were selected purposively to obtain rich and context-specific insights into the human capital acquisition challenges experienced during the early stages of startup development. The sample size was determined based on the qualitative multiple case study approach, where the emphasis is placed on obtaining in-depth understanding rather than statistical representation. As suggested by Yin (2018), multiple-case studies facilitate analytical generalisation through detailed examination and cross-case comparison. Data collection continued until sufficient depth and richness of information were obtained from each case, and the recurring patterns across the cases enabled the researcher to comprehensively address the research questions and achieve the objectives of the study.

3.7. Data Analysis

The data collected through in-depth interviews, observation, and field notes were analyzed using Braun and Clarke's (2006) Thematic Analysis. After each interview, the recordings were transcribed verbatim and read several times to gain familiarity with the data. Initial codes were then generated by identifying meaningful segments of the participants' narratives. Similar codes were grouped together to develop broader themes and sub-themes that reflected common patterns across the data. The themes were reviewed, refined, and named to ensure they accurately represented participants' experiences and aligned with the study's objectives. Finally, the themes were interpreted and supported with relevant verbatim quotations from the participants to present a comprehensive understanding

3.8 Units of Analysis

The units of analysis for the present study were developed based on the research questions,which provided a clear direction for examining the human capital acquisition challenges experienced by three startup founders and their influence on startup survival. The study employed both primary and secondary sources of data to achieve a comprehensive understanding of the research problem. Primary data were collected through in-depth semi-structured interviews with four startup founders, enabling the researcher to explore their experiences, perceptions, talent acquisition strategies, recruitment practices, sourcing methods, employer branding initiatives, and the challenges encountered in attracting and retaining skilled employees. Thematic analysis was subsequently employed to identify recurring patterns and themes across the participants' responses. Secondary data were obtained from books, peer-reviewed journal articles, government reports, startup policy documents, publications of the Kerala Startup Mission (KSUM), Startup India, company reports, and other relevant online sources to support, validate, and contextualise the primary findings.

3.9 Axiological Consideration

Axiology refers to the study of values and ethics in research and recognises that the researcher's beliefs and judgments may influence the choice of topic, data collection, analysis, and interpretation of findings (Saunders, Lewis and Thornhill, 2019). In qualitative research, where the researcher is closely involved in understanding participants' experiences, reflexivity and ethical awareness are essential to ensure credibility and trustworthiness (Crotty, 1998). In this study, the researcher remains mindful of personal values while exploring the human capital acquisition challenges faced by startup founders, and takes care to minimise bias through ethical data collection and objective thematic analysis.

3.10 Criteria for Interpreting the Findings

The interpretation of the findings in the present study is guided by the research questions. The study employed thematic analysis to systematically code and organise the interview data into meaningful themes and patterns that addressed the research objectives. In addition, the Narrative Case Analysis Method was used to interpret the founders' individual experiences and understand how they navigated the challenges of attracting, recruiting, and retaining talent within the context of their startup journey. Examining participants' narratives enabled to gain deeper insights into the decision-making processes, strategies adopted, and contextual factors influencing human capital acquisition. Recurrent responses across multiple participants facilitated constant comparison, allowing similarities and differences in founders' experiences to be identified. Throughout the analysis, the researcher maintained objectivity, ensured ethical research practices, and interpreted the findings in a manner that accurately reflected the participants' perspectives and the objectives of the study.

3.11 Limitations of the Study

1. Some startup founders were hesitant to permit audio recording of the interviews, requiring the researcher to rely on detailed note-taking during data collection.
2. The busy schedules and professional commitments of startup founders restricted the availability of participants for prolonged interviews and follow-up discussions.

CHAPTER 4

CASE DISCRIPTION

4.1Introduction

This chapter presents the case descriptions of the qualitative data collected through in-depth semi-structured interviews with founders of startups in Kerala. The narratives describe the participants' entrepreneurial journeys, the establishment and growth of their ventures, and their experiences of acquiring, developing, and managing human capital under resource-constrained conditions. Each case is presented descriptively to capture the context within which the founders built their organisations and navigated the challenges associated with startup survival and growth.

The case descriptions are presented chronologically, incorporating the founders' personal backgrounds, organisational development, team formation, recruitment experiences, leadership approaches, and organisational culture. Verbatim quotations, including Malayalam expressions wherever appropriate, have been retained to preserve the authenticity of the participants' voices.

4.2Case Description

4.2.1 Case I

This case presents the entrepreneurial journey of the participant, the founder and Chief Executive Officer of a Kerala-based technology startup that has emerged as a globally recognised platform within the API development ecosystem. The participant's experiences demonstrate how resilience, continuous learning, repeated entrepreneurial failures, and a strong commitment to innovation contributed to establishing a sustainable technology venture despite severe financial, infrastructural, and human resource constraints. More importantly, the case illustrates how the organisation evolved from an individual effort into a collaborative venture by gradually attracting talented contributors, building a committed team, and developing an organisational culture that sustained long-term growth.

The participant was born and brought up in Anthikad, Kerala, in a financially constrained family. Owing to economic hardship, the participant was unable to continue higher education immediately after completing Plus Two. Rather than abandoning the aspiration of becoming a software engineer, the participant remained at home for nearly one year and devoted that period to independently learning programming and software development. This self-directed learning not only strengthened technical competence but also cultivated a problem-solving mindset that later became central to the participant's entrepreneurial journey.

The participant explained that pursuing engineering education itself involved considerable financial hardship. Obtaining financial assistance proved to be a prolonged and emotionally challenging process.

Reflecting on this experience, the participant stated:

"Almost one year ഞാൻ മുപ്പതിലധികം ബാങ്കുകളിൽ കയറി education loan ചോദിച്ചു."

Eventually, the participant secured an educational loan and completed the engineering programme, describing this phase as one that strengthened perseverance and resilience long before establishing the venture.

Following graduation, the participant joined a technology company operating within Kerala's startup ecosystem. During this period, the participant frequently encountered difficulties associated with communication between software applications. Existing tools available for API testing and development were considered complex, time-consuming, and inefficient. Motivated by this recurring problem, the participant developed a simple prototype within a few hours to simplify the workflow.

Initially, the solution was created purely to address a personal technical challenge encountered at the workplace. However, as other software developers began expressing interest in using the tool, the participant recognised the possibility of transforming the prototype into a larger technology product. What originated as an individual solution gradually evolved into a globally recognised platform.

Despite this promising beginning, the participant explained that the entrepreneurial journey was characterised by repeated failures rather than immediate success. Several business ideas were attempted before the present venture emerged successfully.

The participant reflected:

"Personally, ഞാൻ ഏകദേശം പത്ത് പ്രാവശ്യം fail ആയിട്ടുണ്ട്. പതിനൊന്നാമത്തെ project ആണ് വിജയിച്ചത്."

Rather than perceiving these failures as setbacks, the participant described them as valuable learning experiences that improved technical knowledge, strengthened entrepreneurial confidence, and shaped subsequent business decisions.

The participant further explained that one of the earliest challenges was the complete absence of resources required for product development. During the first software job, the organisation was unable to provide even a laptop for work. Consequently, all product development activities depended upon the participant's personal computer, requiring extraordinary effort to balance employment and entrepreneurial aspirations simultaneously.

Recalling this experience, the participant explained:

"ഞാൻ എന്റെ workstation ഒരു വലിയ shopper bag-ൽ pack ചെയ്ത് ദിവസവും train-ൽ കൊണ്ടുപോകുമായിരുന്നു."

The participant explained that product development generally occurred after office hours and during weekends because full-time employment remained necessary to meet financial obligations while simultaneously investing time in the venture.

Beyond financial and infrastructural limitations, the participant also highlighted the absence of organisational support for employees pursuing entrepreneurial aspirations. Although family members consistently encouraged experimentation and remained supportive throughout the journey, similar encouragement was seldom received within the workplace. Independent projects undertaken after office hours were rarely viewed positively, making it difficult to openly pursue entrepreneurial ambitions while remaining employed.

As the product gradually gained visibility within the global developer community, another significant challenge emerged—building a team capable of sustaining organisational growth. Initially, the participant functioned almost entirely as a solo founder, assuming responsibility for product development, decision-making, community engagement, and organisational direction. However, as the number of users increased, the limitations of working alone became increasingly evident.

Rather than adopting conventional recruitment practices during the initial stages, the participant described building the team through the project's open-source developer community. Developers who voluntarily contributed improvements, reported issues, and consistently demonstrated commitment gradually became trusted collaborators. Over time, these contributors transitioned into structured organisational roles, allowing the venture to expand without relying solely on traditional recruitment methods.

Reflecting upon this process, the participant explained:

"Community തന്നെയാണ് നമ്മുടെ ആദ്യത്തെ team. ആദ്യം contributors ആയിരുന്ന ആളുകൾ പിന്നീട് core team ആയി മാറി."

The participant further explained that attracting talented individuals without the financial capacity to offer competitive salaries required a fundamentally different approach to recruitment. Instead of depending upon monetary incentives, the organisation attracted contributors by creating opportunities for learning, ownership, technical excellence, and meaningful participation in building the product. Individuals remained committed because they believed in the vision of the organisation and experienced a strong sense of ownership over the product's development.

However, transforming an open-source community into a formal organisational structure introduced additional human resource challenges. Contributors were distributed across different countries, worked in different time zones, and possessed varying levels of availability and commitment. Coordinating these diverse contributors while preserving the collaborative culture of the community required continuous communication, trust-building, and leadership.

The participant explained that one of the greatest challenges was maintaining alignment as the organisation expanded.

"Hardest part community build ചെയ്യുന്നതല്ല... എല്ലാവരെയും ഒരേ direction-ലേക്ക് align ചെയ്ത് കൊണ്ടുപോകുന്നതാണ്."

Funding represented another significant obstacle during the early stages. As a solo founder with limited organisational resources, convincing investors about the viability of both the product and the long-term vision proved challenging. According to the participant, identifying investors who genuinely understood the organisation's mission became a critical milestone in enabling future expansion, recruitment, and organisational sustainability.

Today, the organisation has evolved into a globally recognised technology platform serving millions of developers worldwide and achieving substantial organisational growth. Nevertheless, the participant consistently attributed this progress not to a single breakthrough but to continuous perseverance, collaborative effort, and an unwavering commitment to learning.

Reflecting upon the entrepreneurial journey, the participant concluded:

"The beauty of the process is to continue without quitting."

Finally, the participant observed that the greatest obstacle encountered by aspiring entrepreneurs is often neither technology nor funding, but maintaining confidence throughout periods of uncertainty.

As the participant explained:

"The biggest issue you will face is a lack of self-confidence or self-motivation. Nobody else can give it to you—you have to motivate yourself."

Overall, the participant's narrative illustrates that the survival and growth of a technology startup depended not only upon innovation and technical competence but also upon the gradual acquisition of committed individuals, the creation of collaborative networks, the ability to attract contributors despite limited resources, and the development of a shared organisational vision capable of transforming individual effort into collective organisational success.

4.2.2 Case II

The participant's entrepreneurial journey reflected a process of continuous learning, persistence, experimentation, and organisational development. Throughout the interview, the participant described entrepreneurship as extending beyond the establishment of a business venture, emphasising that building a sustainable organisation requires developing capable individuals, fostering innovation, and cultivating an organisational culture that evolves with the organisation. The participant's narrative highlighted experiences associated with personal transformation, leadership development, talent acquisition, organisational growth, and the importance of creating an environment where individuals could realise their potential.

Reflecting on the initial stages of the entrepreneurial journey, the participant explained that success was achieved only after experiencing multiple unsuccessful attempts. Rather than viewing failure as an endpoint, each unsuccessful venture became an opportunity for learning and personal growth, eventually contributing to the establishment of a sustainable organisation. The participant noted that persistence and resilience were fundamental characteristics required for entrepreneurship, explaining that every unsuccessful experience contributed to developing the knowledge and confidence required to move forward.

The participant further explained that startups should not merely focus on recruiting employees but should consciously invest in developing individuals who could eventually become leaders within the organisation. According to the participant, founders should avoid becoming individuals who solve every problem on behalf of employees, as such behaviour restricts learning and reduces employees' confidence in making independent decisions.

As the participant explained,

"ആദ്യം നിങ്ങൾ ഒരു rescuer ആകരുത്. ചെറിയ ചെറിയ പ്രശ്നങ്ങൾ വന്നാൽ ഉടനെ പോയി solve ചെയ്ത് കൊടുത്താൽ അവർക്ക് സ്വയം പ്രശ്നങ്ങൾ കൈകാര്യം ചെയ്യാൻ പഠിക്കില്ല. അവർ struggle ചെയ്യണം, decision എടുക്കണം, mistakes ചെയ്യണം. അങ്ങനെ മാത്രമേ നല്ല leaders ഉണ്ടാകൂ. നല്ല leaders ഇല്ലെങ്കിൽ ഒരു organisation scale ചെയ്യില്ല."

The participant described leadership as a process of enabling employees to think independently rather than encouraging dependence upon the founder. According to the participant, organisations become stronger when employees are encouraged to identify solutions, assume ownership of responsibilities, and contribute actively towards organisational development. The participant emphasised that founders should deliberately create opportunities for employees to develop confidence through practical experience rather than through constant guidance.

Continuing the discussion on leadership, the participant observed that many founders mistakenly assume that leadership is demonstrated by continuously generating ideas. Instead, the participant believed that founders should encourage employees to contribute ideas while providing guidance and ownership to those responsible for implementing them.

The participant stated,

"Founder എന്നത് എല്ലാ മീറ്റിങ്ങിലും ideas പറയുന്ന ഒരാൾ മാത്രമല്ല. ഒരു നല്ല founder ideas കേൾക്കും, refine ചെയ്യും, ownership കൊടുക്കും, മറ്റുള്ളവർക്ക് അത് develop ചെയ്യാനുള്ള അവസരം സൃഷ്ടിക്കും."

The participant further reflected that organisational innovation should emerge collectively rather than remaining dependent upon a single individual. According to the participant, sustainable organisations are characterised by collaborative thinking, shared ownership, and employee participation in organisational decision-making.

Discussing communication within organisations, the participant explained that leaders should avoid responding immediately to every employee suggestion. While quick decision-making may occasionally be necessary, responding too rapidly often discourages further discussion and reduces opportunities for employees to express diverse viewpoints.

As the participant remarked,

"Being a rapid responder is sometimes positive, but in most situations it becomes a red flag. Especially during team meetings, responding immediately to every idea discourages discussion. A founder should understand when to respond and when to simply listen."

The participant consistently emphasised that organisational culture is shaped primarily through the behaviour of founders. According to the participant, employees continuously observe how founders communicate, formulate strategies, make decisions, and interact with others. Consequently, founders become role models whose behaviour directly influences organisational values and employee behaviour.

Reflecting upon this responsibility, the participant explained,

"ഒരു founder എന്നുപറയുന്നത് ഒരു കമ്പനിയുടെ ഒരു organisation-ന്റെ cultural architect കൂടെയാണ്. അയാൾ ഒരു role model കൂടെയാണ്. നമ്മൾ എന്ത് ചെയ്യുന്നു, നമ്മൾ എങ്ങനെ സംസാരിക്കുന്നു, നമ്മൾ എങ്ങനെ strategy create ചെയ്യുന്നു, നമ്മൾ അത് എങ്ങനെ execute ചെയ്യുന്നു എന്നത് നമ്മുടെ team members വളരെ closely watch ചെയ്യുന്നുണ്ടാവും. ഓരോ founders-◌ു◌ം role models ആണ്. നിങ്ങൾ ഒരു വഴികാട്ടിയാണ്. നിങ്ങൾ കാണിച്ചു കൊടുക്കുന്ന വഴികളിലൂടെ ഒരുപാട് പേർ നടന്നുവരുന്നുണ്ട്."

The participant further explained that founders should continuously evaluate their own behaviour and identify opportunities for improvement. According to the participant, organisational culture develops gradually through consistent leadership behaviour, making self-reflection an essential responsibility of every founder.

The discussion subsequently focused on organisational growth and the challenges associated with scaling teams. The participant explained that practices suitable for small teams cannot simply be carried forward as organisations become larger. Instead, founders should continuously redesign organisational structures, systems, and practices according to the changing needs of the organisation.

As the participant explained,

"What works at five won't work at fifty. What works at fifty will kill you at five hundred."

Elaborating further, the participant observed that organisational culture should remain dynamic and continuously evolve alongside organisational growth. During the early stages, flexibility and collective responsibility enable startups to progress efficiently. However, as the organisation expands, structured systems, standard operating procedures, and formal processes become increasingly important. At the same time, founders must ensure that organisational culture does not gradually weaken as organisational complexity increases.

The participant explained,

"കൾച്ചർ എന്നുപറഞ്ഞു കഴിഞ്ഞാൽ നമ്മൾ continuously innovate ചെയ്യേണ്ട, continuously change ചെയ്യേണ്ട ഒരു കാര്യമാണ്. നമ്മുടെ team's size-നനുസരിച്ച്, market-നനുസരിച്ച്, organisation grow ചെയ്യുന്നതിനനുസരിച്ച് അതിൽ മാറ്റങ്ങൾ കൊണ്ടുവരണം. അഞ്ച് പേരുള്ള സമയത്ത് എല്ലാവരും എല്ലാ കാര്യങ്ങളും ചെയ്യുന്നതായിരിക്കും priority. അമ്പത് പേരാകുമ്പോൾ processes build ചെയ്യണം, systems build ചെയ്യണം, SOPs build ചെയ്യണം. പക്ഷേ അഞ്ചുനൂറ് പേരാകുമ്പോഴേക്കും processes എല്ലാം set ആയിരിക്കും, എന്നാൽ culture diminish ആയി തുടങ്ങും."

Reflecting upon employee retention, the participant stated that organisational culture significantly influences employees' decisions to remain within an organisation. According to the participant, ineffective leadership and poor management practices often contribute more to employee turnover than organisational characteristics themselves.

The participant explained,

"People don't quit companies; they quit bad managers."

To address this challenge, the participant emphasised the importance of establishing and consistently reinforcing a formal organisational culture. According to the participant, every organisation should develop a clearly articulated culture code that communicates organisational values and expected behaviours. However, documenting organisational culture alone is insufficient unless it is consistently practised and reinforced throughout employees' experiences within the organisation.

The participant explained,

"നിങ്ങൾ ഒരു culture code prepare ചെയ്യണം. ഇത് ഒരു written document ആയിരിക്കാം. പക്ഷേ document prepare ചെയ്താൽ മാത്രം പോരാ. ഇത് practice ചെയ്യണം. ഓരോ team members-നെയും നിരന്തരം ഓർമ്മിപ്പിക്കണം. Onboarding മുതൽ exit വരെയുള്ള process-ൽ culture ഉൾപ്പെടുത്തണം. Onboarding സമയത്ത് തന്നെ organisation-ന്റെ culture എന്താണ്, culture code എന്താണ്, policies എങ്ങനെയാണ്, organisation എങ്ങനെ മുന്നോട്ടുപോകുന്നു എന്നൊക്കെ അവരെ പഠിപ്പിക്കണം."

The participant further explained that organisational culture should be reinforced continuously through meetings, organisational gatherings, town halls, and everyday interactions so that organisational values become embedded in employees' daily work experiences.

As the participant stated,

"ഓരോ gathering-ലും, meetings-ലും, town halls-ലും, monthly meetings-ലും, quarterly meetings-ലും, team meetings-ലും നമ്മുടെ culture-നെയോ culture code-നെയോ വീണ്ടും reinforce ചെയ്യുന്ന activities ഉണ്ടായിരിക്കണം. Culture നമ്മൾ നിരന്തരമായി communicate ചെയ്തു കൊണ്ടിരിക്കണം. ഈ communication ഒരു ritual ആക്കണം. ഇത് organisation-ന്റെ ഒരു process ആക്കണം. നമ്മുടെ communication ആണ് ഇതിൽ ഏറ്റവും key ആയിട്ടുള്ളത്."

Throughout the interview, the participant consistently portrayed entrepreneurship as a journey of continuous personal transformation alongside organisational development. Leadership was presented not merely as directing organisational activities but as enabling people to learn, innovate, and assume responsibility while simultaneously nurturing an organisational culture capable of sustaining growth over time. The participant's narrative demonstrated that organisational success depends not only upon technological or financial resources but also upon empowering individuals, preserving organisational values, and continuously adapting leadership practices as the organisation evolves.

The participant described himself as an "accidental entrepreneur," explaining that entrepreneurship was never part of his original career aspirations. Although academically trained as a lawyer, he shared that teaching had always been the profession that brought him the greatest sense of fulfilment and purpose. Before embarking on his entrepreneurial journey, he had the opportunity to work as a teacher, an experience that profoundly influenced his philosophy of leadership, people development, and organisational growth. Rather than viewing education merely as a profession, the participant regarded teaching as a means of empowering individuals and creating meaningful social impact. This perspective later became deeply embedded in his entrepreneurial journey and significantly shaped the way he approached building and managing his organisation.

Throughout the interview, the participant reflected that his greatest satisfaction as a founder was not simply establishing an organisation but helping people learn, grow, and realise their potential. He explained that mentoring employees, co-founders, and every individual associated with the organisation provided him with a sense of accomplishment that extended far beyond financial success.

Reflecting on this experience, he stated:

"The thing I enjoyed the most was teaching new things to my team members, my co-founders, and every individual associated with my organisation."

The participant explained that the organisation gradually evolved from a small entrepreneurial initiative into a rapidly expanding educational technology enterprise driven by a strong social purpose. Rather than measuring organisational success exclusively through financial indicators, he consistently emphasised the importance of creating meaningful educational opportunities while simultaneously generating sustainable employment. According to the participant, organisational growth should ultimately be reflected in the number of lives transformed through education and meaningful work.

Describing one of the organisation's most significant milestones, the participant recalled achieving an average daily revenue of approximately ₹23.6 lakh over a one-week period. However, he clarified that this achievement represented far more than financial performance. Instead, it symbolised years of perseverance, continuous experimentation, collaborative teamwork, and resilience during periods of uncertainty.

Reflecting on this milestone, he remarked:

"That's not just a number. That's a reminder of every 2 AM brainstorm, every team member's hard work, every failed and successful strategy, and every founder breakdown turned breakthrough."

The participant further explained that the organisation was established with the objective of expanding access to quality education rather than pursuing financial growth alone. According to him, success should always be measured by the positive social impact generated through the organisation's activities. He proudly shared that the platform currently facilitates one-to-one learning opportunities for thousands of students every day while simultaneously creating dignified employment opportunities for more than 10,000 women tutors. He further noted that the organisation has contributed to improving the livelihoods of numerous families by transforming education into a sustainable source of employment rather than limiting it to an academic pursuit.

Another aspect repeatedly emphasised throughout the interview was the importance of organisational culture and collective ownership. The participant explained that the organisation's achievements were possible only because employees, tutors, learners, and other stakeholders perceived themselves as contributors to a shared mission rather than merely participants in a business venture. He believed that every milestone reflected the collective effort of the entire organisational community.

Expressing his appreciation for those who contributed to the organisation's journey, he stated:

"You made this possible. You're the story."

Reflecting upon the organisation's origins, the participant described how a venture that began in a small village in Kerala gradually developed into a globally recognised educational platform. According to him, this transformation demonstrated that entrepreneurial vision, collaborative teamwork, continuous learning, and commitment to social purpose could enable startups to achieve sustainable organisational growth irrespective of their geographical origins.

Despite the organisation's remarkable achievements, the participant viewed these milestones not as the culmination of the entrepreneurial journey but merely as stepping stones towards future aspirations. He explained that entrepreneurship is a continuous process of learning, innovation, and organisational evolution, requiring founders to remain focused on future possibilities rather than becoming satisfied with present accomplishments.

As he concluded,

"This isn't a peak. This is a checkpoint. Because what's coming next… we haven't even built yet."

Throughout the remainder of the interview, the participant shifted his attention from organisational achievements to the people who made those achievements possible. He explained that building a sustainable organisation extends beyond developing products or generating revenue and instead depends upon attracting capable individuals, nurturing future leaders, fostering innovation, and creating an organisational culture where employees continuously learn, assume ownership, and contribute meaningfully towards the long-term growth of the organisation.

4.2.3 Case III

The participant's entrepreneurial journey illustrates how technological innovation, complementary leadership, and sustained human capital development enabled the establishment of a technology startup despite significant financial, institutional, and talent-related constraints. Rather than presenting entrepreneurship as merely the development of a technological product, the participant consistently described organisational growth as a people-centred process requiring the attraction of capable individuals, continuous learning, collaborative leadership, and the gradual formation of a committed multidisciplinary team. Throughout the interview, the participant reflected that while technological innovation formed the foundation of the venture, its sustainability ultimately depended upon the people who contributed to transforming an idea into a growing organisation.

The participant explained that the inspiration for establishing the venture originated from both personal interest and lived experience. Having grown up in an agricultural family, the participant personally witnessed the devastating consequences of the Kerala floods on farming communities. These experiences, combined with a long-standing passion for drone technology, motivated the participant to explore how indigenous technological solutions could address practical agricultural problems.

Reflecting upon this motivation, the participant explained:

"My passion was always drones. I realised that instead of following a conventional job, I wanted to build technology that could solve real problems faced by farmers."

Although academically trained as an Aeronautical Engineer, the participant explained that conventional employment never aligned with personal aspirations. Instead of pursuing a traditional engineering career, considerable time was invested in experimenting with drone technologies within the college laboratory while simultaneously conducting drone training programmes for engineering students. These activities not only strengthened technical expertise but also cultivated confidence to pursue entrepreneurship independently.

The participant further explained that the entrepreneurial journey accelerated after the co-founder joined the venture. Bringing prior experience in business operations, organisational management, and project coordination, the co-founder complemented the participant's technical expertise with managerial and administrative capabilities. The participant described this complementary leadership structure as one of the earliest strengths of the organisation, enabling responsibilities to be divided according to individual competencies while ensuring coordinated organisational development.

As the co-founder explained,

"ഞങ്ങൾ തീരുമാനിച്ചത് technical side Devan നോക്കും, operations ഉം management ഉം ഞാൻ നോക്കും എന്നായിരുന്നു. ഓരോരുത്തരുടെയും strengths combine ചെയ്തപ്പോഴാണ് company build ചെയ്യാനുള്ള confidence കിട്ടിയത്."

The participant explained that experienced mentors also played a significant role during the early stages by providing strategic guidance, financial advice, and encouragement, enabling the founders to transform a technical idea into a formal business venture.

The organisation was subsequently established with the objective of developing indigenous drone technology capable of improving agricultural productivity while reducing production costs. Rather than manufacturing drones alone, the founders envisioned an integrated precision agriculture ecosystem capable of assisting farmers throughout crop monitoring and disease management.

Explaining this vision, the participant stated:

"നമ്മൾക്ക് രണ്ട് type drones ആണ് ഉള്ളത്. ഒന്നിന്റെ പേര് Neerish, മറ്റൊന്നിന്റെ പേര് Fia. Neerish ഉപയോഗിച്ച് field-ലുള്ള crops-ന് ഉണ്ടാകുന്ന issues identify ചെയ്യും. ആ data analyse ചെയ്തതിന് ശേഷം Fia affected area-ൽ മാത്രം spray ചെയ്യും. മുഴുവൻ field spray ചെയ്യേണ്ട ആവശ്യമില്ല."

The participant explained that this integrated approach enabled farmers to reduce pesticide consumption, minimise production costs, and improve crop productivity through precision agriculture rather than conventional blanket spraying techniques.

Reflecting upon the organisational vision, the participant remarked:

"Our objective was never to build just another drone. We wanted to create an integrated solution that improves farmers' income and agricultural productivity."

Despite possessing a technically innovative product, the participant explained that the organisation encountered numerous challenges during its early stages. One of the earliest obstacles involved the absence of institutional support for hardware startups. Unlike software ventures, hardware-based innovations required substantial financial investment, laboratory facilities, testing infrastructure, and specialised technical expertise. Consequently, obtaining early institutional recognition proved particularly difficult.

The participant explained that the initial application for incubation support was unsuccessful. Rather than abandoning the venture, the founders continued refining the prototype while simultaneously exploring government grants and alternative funding opportunities.

The participant reflected:

"ആദ്യമായിട്ട് നമ്മൾ apply ചെയ്തപ്പോൾ incubation കിട്ടിയില്ല. പക്ഷേ അതുകൊണ്ട് നിർത്തിയില്ല. Prototype improve ചെയ്ത് വീണ്ടും ശ്രമിച്ചു."

Following extensive field validation conducted in collaboration with agricultural experts, the innovation gradually received scientific credibility. This validation subsequently facilitated incubation support, technical mentoring, and infrastructure that significantly accelerated product development.

While institutional support addressed several technical challenges, attracting customers presented an equally significant obstacle. According to the participant, farmers initially demonstrated considerable hesitation towards adopting drone technology because many had never previously experienced precision agriculture.

Reflecting on this challenge, the participant explained:

"Initially farmers product വാങ്ങില്ല. ആദ്യം technology experience ചെയ്യണം. അതുകൊണ്ടാണ് നമ്മൾ free demonstrations ചെയ്തത്."

Rather than relying upon promotional activities alone, the organisation adopted a demonstration-based approach that enabled farmers to directly observe the effectiveness of the technology before making purchasing decisions. This strategy gradually strengthened customer trust while simultaneously increasing product acceptance.

Alongside product development and market acceptance, the participant described the gradual emergence of another equally important organisational challenge—building a capable workforce. During the initial stages, the founders personally performed almost every organisational responsibility, including product design, testing, customer interaction, demonstrations, documentation, operations, and business development. However, as organisational activities expanded, sustaining growth required recruiting individuals possessing specialised technical and managerial competencies.

The participant explained that recruiting suitable employees presented considerable challenges because hardware startups require highly specialised talent capable of simultaneously understanding aeronautical engineering, electronics, software systems, embedded technologies, and agricultural applications. Furthermore, competing with larger organisations offering substantially higher salaries further complicated talent acquisition during the startup's early stages.

Reflecting upon organisational expansion, the participant explained:

"Infrastructure gradual ആയി develop ചെയ്തുകൊണ്ടിരിക്കുന്നു. നമ്മുടെ team manpower ഏറ്റവും കൂടുതൽ ഏറ്റവും best ആളുകളെ തന്നെ onboard ചെയ്തുകൊണ്ടിരിക്കുന്നു. അങ്ങനെ expand ചെയ്തുകൊണ്ടിരിക്കുകയാണ്."

The participant further explained that recruitment decisions extended beyond identifying technically competent individuals. Equal importance was placed upon selecting individuals who genuinely believed in the organisational mission and demonstrated willingness to work within the uncertainty associated with startup environments. According to the participant, commitment, adaptability, and willingness to continuously learn often became more valuable than technical qualifications alone.

As organisational growth continued, developing internal capabilities also became increasingly important. Rather than depending exclusively upon external recruitment, the founders invested considerable effort in training employees, expanding research capabilities, and creating opportunities for multidisciplinary collaboration. The participant explained that sustainable organisational growth depended not only upon increasing employee numbers but also upon strengthening organisational competence through continuous learning.

The organisation gradually expanded from a small founding team into a multidisciplinary workforce comprising engineers, research personnel, production specialists, operational staff, and business development professionals. According to the participant, every stage of organisational expansion required corresponding improvements in infrastructure, communication systems, and leadership practices to ensure that organisational culture remained aligned with the founding vision.

Reflecting upon organisational growth, the participant explained:

"First year prototype മാത്രമായിരുന്നു. അതിനെ service model ആയി implement ചെയ്തു. ആദ്യ വർഷം തന്നെ 32 ലക്ഷം turnover എത്തി. അതിന് ശേഷം gradually scale up ചെയ്തു. Infrastructure build ചെയ്തു. Team expand ചെയ്തു."

The participant further explained that the organisation deliberately prioritised sustainable scaling rather than pursuing rapid expansion driven solely by investment opportunities. Every stage of organisational growth was guided by customer requirements, technological refinement, and the gradual strengthening of organisational capability.

As the participant explained:

"Our focus has always been on studying customer requirements and scaling gradually rather than chasing investment alone."

Reflecting upon the broader purpose of entrepreneurship, the participant emphasised that technological innovation acquires meaning only when it creates measurable improvements in people's lives.

The participant concluded:

"We believe technology should create impact. Success is not just about building products, but about improving people's lives."

Overall, the participant's narrative illustrates that the sustainability of a technology startup depended not solely upon engineering innovation but upon the founders' ability to build complementary leadership, attract skilled professionals despite resource limitations, continuously develop organisational capabilities, and cultivate a workforce committed to the long-term vision of the organisation. The case demonstrates how human capital acquisition, collaborative leadership, customer-centred learning, and gradual organisational development collectively contributed to transforming an engineering innovation into a nationally recognised agritech enterprise.

CHAPTER 5

DATA ANALYSIS AND INTERPRETATION

5.1 Introduction

This chapter presents the thematic analysis and interpretation of the qualitative data collected through in-depth semi-structured interviews with startup founders in Kerala. The analysis is guided by the study's general and specific research questions and is based on the case descriptions presented in Chapter 4. Using Braun and Clarke's Reflexive Thematic Analysis, the researcher systematically examined the narratives to identify recurring patterns, similarities, and differences across the cases. The analysis focuses on understanding how startup founders experienced human capital acquisition challenges, the strategies they adopted to attract and retain talent under resource-constrained conditions, the role of employer branding and organisational reputation in talent acquisition and retention, and the influence of the founders' backgrounds on the sustainability and growth of their ventures.

The themes presented in this chapter were developed inductively from the participants' narratives through coding, pattern matching, and cross-case analysis. Verbatim quotations, including Malayalam expressions where appropriate, have been incorporated to preserve the authenticity of the participants' experiences and provide evidence for the analytical interpretations

The major themes identified include Human Capital Acquisition Challenges, Strategic Approaches to Human Capital Acquisition, Employer Branding and Organisational Reputation, and Influence of the Founder's Background. Collectively, these themes provide a comprehensive understanding of how founders navigate human capital challenges and utilise people-centred strategies to enhance startup survival and long-term organisational sustainability.

5.2 Theme 1: Human Capital Acquisition Challenges

Introduction to the Theme

One of the most consistent patterns emerging across the participants' narratives was the challenge of acquiring suitable human capital during the early stages of startup development. The findings indicate that recruitment within startups differs considerably from conventional organisational recruitment because founders are required to build teams while simultaneously managing organisational uncertainty, financial limitations, limited employer visibility, and rapidly changing business demands.

Across the participants' narratives, human capital acquisition emerged as a continuous organisational challenge rather than a single recruitment activity. The findings demonstrate that limited financial resources restricted hiring opportunities, the absence of established employer reputation made attracting talented individuals more difficult, specialised skill requirements reduced the available talent pool, and founders frequently depended upon their own efforts before formal organisational teams could be established.

Sub-theme 1.1: Resource Constraints Limiting Human Capital Acquisition

One of the strongest patterns emerging across the participants' narratives was that limited organisational resources significantly constrained their ability to recruit suitable employees during the early stages of startup development. The findings indicate that financial limitations extended beyond the inability to offer competitive salaries and affected almost every aspect of organisational development, including recruitment planning, infrastructure, workforce expansion, and product development. Rather than recruiting employees through structured hiring processes, participants explained that they postponed recruitment, assumed multiple organisational responsibilities themselves, and gradually expanded their teams only as organisational resources improved.

The participant further explained that organisational growth occurred gradually as resources became available. *"Infrastructure gradual ആയി develop ചെയ്തുകൊണ്ടിരിക്കുന്നു. നമ്മുടെ team manpower ഏറ്റവും കൂടുതൽ ഏറ്റവും best ആളുകളെ തന്നെ onboard ചെയ്തുകൊണ്ടിരിക്കുന്നു."*

Rather than viewing financial capital alone as the basis of organisational expansion, the participant highlighted that startups cannot achieve sustainable growth without capable individuals.

The findings therefore indicate that resource constraints influenced not only recruitment but also the pace of organisational development. Across the participants' narratives, limited financial capacity delayed hiring, reduced organisational flexibility, and required founders to invest substantial personal effort before establishing formal teams.

Sub-theme 1.2: Difficulty in Attracting Skilled and Committed Talent

The findings further reveal that attracting individuals possessing both technical competence and long-term organisational commitment emerged as another significant challenge experienced by the participants. Unlike established organisations capable of offering attractive salaries, career progression, and employment security, startups were required to convince potential employees to work within uncertain organisational environments. Consequently, participants consistently explained that attracting individuals who believed in the organisational vision often proved more difficult than identifying technically qualified candidates. One participant explained that conventional recruitment methods were largely ineffective during the initial stages of organisational development. Instead of hiring employees through formal recruitment channels, contributors voluntarily became involved through the open-source community.

"Community തന്നെയാണ് നമ്മുടെ ആദ്യത്തെ team. ആദ്യം contributors ആയിരുന്ന ആളുകൾ പിന്നീട് core team ആയി മാറി."

This response indicates that commitment towards the organisational vision became an important criterion for joining the startup. Rather than selecting candidates solely based on technical qualifications, the participant gradually developed relationships with individuals whose dedication had already been demonstrated through voluntary contribution.

Similarly, another participant explained that the multidisciplinary nature of agritech innovation made recruitment considerably more complex because the organisation required professionals capable of integrating engineering, software, electronics, and agriculture.

The participant reflected, *"Infrastructure gradual ആയി develop ചെയ്തുകൊണ്ടിരിക്കുന്നു. നമ്മുടെ team manpower ഏറ്റവും കൂടുതൽ ഏറ്റവും best ആളുകളെ തന്നെ onboard ചെയ്തുകൊണ്ടിരിക്കുന്നു."*

The participant further explained that individuals demonstrating commitment, adaptability, and willingness to learn were often considered more valuable than candidates possessing technical qualifications alone.Likewise, another participant repeatedly highlighted that sustainable organisational growth depends upon developing capable individuals who are willing to assume responsibility. *"അങ്ങനെ മാത്രമേ നല്ല leaders ഉണ്ടാകൂ. നല്ല leaders ഇല്ലെങ്കിൽ ഒരു organisation scale ചെയ്യില്ല."*

This response illustrates that participants viewed recruitment as extending beyond filling organisational vacancies. Instead, they sought individuals capable of growing alongside the organisation and contributing to its future development.

Across the participants' narratives, the findings suggest that attracting committed employees represented a greater organisational challenge than merely identifying technically skilled candidates. Organisational vision, adaptability, and long-term commitment consistently emerged as qualities valued alongside technical competence.

Sub-theme 1.3: Founder Dependency During the Early Stages of Team Formation

Another important pattern emerging across the participants' narratives was the high level of founder dependency during the initial stages of startup development. The findings indicate that, because of limited financial and human resources, founders personally undertook responsibilities that would normally be distributed among specialised employees.

One participant explained that the organisation initially functioned almost entirely through individual effort before contributors gradually became collaborators. *"Community തന്നെയാണ് നമ്മുടെ ആദ്യത്തെ team."* This narrative illustrates that organisational development initially depended upon the founder's own efforts before evolving into a collaborative organisational structure.Similarly, another participant explained that organisational responsibilities were intentionally divided between the founders according to their respective expertise. *"ഞങ്ങൾ തീരുമാനിച്ചത് technical side Devan നോക്കും, operations ഉം management ഉം ഞാൻ നോക്കും എന്നായിരുന്നു."*

This response demonstrates that founders compensated for limited human resources by combining complementary expertise and assuming multiple organisational roles until recruitment became feasible.

This finding indicates that participants recognised founder dependency as a temporary stage of organisational development. As startups expanded, responsibility was gradually transferred to employees through leadership development and empowerment.

Collectively, the participants' narratives demonstrate that founder dependency was not viewed as an organisational weakness but rather as a necessary characteristic of early-stage startup development where limited resources required founders to perform multiple organisational roles before sustainable team structures could be established.

Interpretation of Theme 1

The findings indicate that human capital acquisition challenges extended beyond the process of recruiting employees and emerged as one of the most significant organisational challenges influencing startup survival during the early stages of development. Across the participants' narratives, recruitment was consistently shaped by financial limitations, organisational uncertainty, limited employer recognition, and the need to attract individuals possessing specialised skills alongside commitment towards the organisational vision. Rather than describing recruitment as a routine human resource activity, participants viewed it as a strategic process requiring persistence, flexibility, and long-term relationship building. The findings further reveal that startups were unable to compete with established organisations through salary or employment security alone. Consequently, founders experienced considerable difficulty in identifying individuals who were willing to work within uncertain organisational environments while contributing towards long-term organisational growth.

The participants also demonstrated that human capital acquisition challenges were closely interconnected with founder dependency, resource availability, and organisational sustainability. Limited financial capacity delayed recruitment, reduced workforce expansion, and required founders to perform multiple organisational responsibilities before formal teams could be established. At the same time, attracting committed employees proved equally challenging because startups lacked established employer reputation and career security. Nevertheless, participants consistently emphasised that commitment, adaptability, willingness to learn, and alignment with the organisational vision were considered equally important as technical competence when selecting employees. In the present study, these recurring patterns indicate that human capital acquisition challenges are inherent characteristics of startup development rather than isolated organisational problems.

5.3 Theme 2: Strategic Approaches to Human Capital Acquisition

Introduction to the Theme

Although all participants experienced significant challenges in acquiring skilled human resources during the early stages of their startups, the findings indicate that they adopted a range of innovative and context-specific strategies to overcome these barriers. Rather than relying solely on conventional recruitment practices, the participants described talent acquisition as a gradual process built on relationships, shared organisational purpose, leadership, continuous learning, and employee empowerment. The findings suggest that resource limitations encouraged founders to think beyond financial incentives and instead develop alternative approaches that attracted individuals who believed in the organisational vision and were willing to contribute towards its long-term growth.

Across the narratives, participants consistently viewed employees not merely as workers but as partners in organisational development. Instead of focusing exclusively on hiring experienced professionals, they emphasised identifying individuals who demonstrated commitment, adaptability, ownership, and the willingness to learn. These findings indicate that human capital acquisition in startups extends beyond recruitment and includes developing organisational environments where talented individuals are motivated to join, remain, and grow alongside the organisation.

Sub-theme 2.1: Building Teams through Shared Vision and Organisational Purpose

One of the strongest patterns emerging across the participants' narratives was the importance of organisational vision in attracting talented individuals. The findings indicate that, during the early stages of startup development, founders were unable to compete with larger organisations in terms of salary, incentives, or employment security. Consequently, participants explained that they attracted individuals by communicating a meaningful purpose and creating opportunities for employees to contribute towards something larger than financial success.

One participant explained that the organisation's earliest team was not recruited through conventional hiring methods. Instead, individuals voluntarily contributed to the project because they believed in its purpose."*Community* തന്നെയാണ് നമ്മുടെ ആദ്യത്തെ *team.* ആദ്യം *contributors* ആയിരുന്ന ആളുകൾ പിന്നീട് *core team* ആയി മാറി."

This narrative demonstrates that organisational purpose encouraged voluntary participation, which later evolved into formal organisational roles. Rather than beginning with structured recruitment, the organisation gradually built its workforce through trust, collaboration, and shared commitment.

Similarly, another participant explained that organisational success was achieved because employees identified themselves with the broader educational mission of the organisation rather than viewing themselves merely as employees.*"The thing I enjoyed the most was teaching new things to my team members, my co-founders, and every individual associated with my organisation."*The participant further acknowledged the collective contribution of organisational members by stating,*"You made this possible. You're the story."*

These statements indicate that employees were recognised as active contributors to organisational success, thereby strengthening commitment and fostering a sense of belonging.

Likewise, another participant described that the startup's purpose extended beyond technological innovation and was centred on improving farmers' livelihoods."Our objective was never to build just another drone. We wanted to create an integrated solution that improves farmers' income and agricultural productivity."

The findings suggest that participants deliberately communicated meaningful organisational goals that enabled talented individuals to identify with the organisation's mission. This shared purpose functioned as an alternative recruitment strategy that compensated for limited financial resources.

Sub-theme 2.2: Developing Human Capital through Learning, Empowerment and Leadership

The findings further indicate that participants regarded talent development as equally important as talent acquisition. Rather than focusing exclusively on recruiting experienced professionals, the participants consistently described the importance of developing employees internally through mentoring, continuous learning, and leadership opportunities.

One participant strongly emphasised that founders should avoid becoming the sole problem-*solvers within the organisation.*

"ആദ്യം നിങ്ങൾ ഒരു rescuer ആകരുത്. ചെറിയ ചെറിയ പ്രശ്നങ്ങൾ വന്നാൽ ഉടനെ solve ചെയ്ത് കൊടുത്താൽ അവർക്ക് സ്വയം പ്രശ്നങ്ങൾ കൈകാര്യം ചെയ്യാൻ പഠിക്കില്ല. അവർ struggle ചെയ്യണം, decision എടുക്കണം, mistakes ചെയ്യണം. അങ്ങനെ മാത്രമേ നല്ല leaders ഉണ്ടാകൂ."

This response indicates that participants viewed mistakes and independent decision-making as important learning opportunities. Rather than controlling employees, founders intentionally created environments where individuals could develop confidence and leadership capability.

The same participant further explained,"*Founder എന്നത് എല്ലാ മീറ്റിങ്ങിലും ideas പറയുന്ന ഒരാൾ മാത്രമല്ല. ഒരു നല്ല founder ideas കേൾക്കും, refine ചെയ്യും, ownership കൊടുക്കും, മറ്റുള്ളവർക്ക് develop ചെയ്യാനുള്ള അവസരം സൃഷ്ടിക്കും."*

This narrative illustrates that leadership was viewed as enabling employees rather than directing them. Employees were encouraged to participate actively in innovation and organisational decision-making.

Similarly, another participant described how contributors gradually evolved into core organisational members through continuous participation within the open-source community."*Community തന്നെയാണ് നമ്മുടെ ആദ്യത്തെ team."*

Rather than recruiting unfamiliar candidates, the founder developed relationships with individuals whose competence and commitment had already been demonstrated through voluntary contribution.Another participant also explained that organisational growth required continuous investment in strengthening employee capability.The participant further explained that commitment and willingness to learn frequently became more valuable than technical qualifications alone.

Across the participants' narratives, talent acquisition and talent development emerged as interconnected organisational processes. Employees were not simply recruited to perform organisational tasks but were gradually developed into future leaders capable of contributing to organisational sustainability.

Sub-theme 2.3: Building Complementary Teams through Collaboration

Another important finding was that participants deliberately built multidisciplinary teams by combining individuals with different expertise, experiences, and perspectives. Instead of recruiting employees with similar competencies, founders sought individuals whose strengths complemented one another.

One participant explained how responsibilities were intentionally divided between the founders based on their individual expertise.This response demonstrates that organisational effectiveness depended upon complementary capabilities rather than individual excellence. The combination of technical expertise and operational management enabled the organisation to overcome the limitations commonly experienced by early-stage startups.

Similarly, another participant explained that founders should distribute ownership rather than centralise organisational responsibilities.

"ഒരു നല്ല founder ideas കേൾക്കും, refine ചെയ്യും, ownership കൊടുക്കും."

This finding indicates that collaboration was intentionally cultivated by encouraging employees to contribute ideas, assume responsibility, and participate in organisational decision-making.

Across the narratives, participants consistently described team building as a collaborative process where organisational success depended upon combining diverse expertise rather than relying solely on the founder.

Sub-theme 2.4: Creating Ownership as a Strategy for Talent Retention

The findings also indicate that ownership played a significant role in retaining talented individuals within startup environments. Since participants were unable to offer highly competitive salaries during the early stages, they focused on creating psychological ownership by involving employees in organisational growth and decision-making.

One participant explained that contributors remained committed because they gradually became part of the organisation's core development team. *"Community തന്നെയാണ് നമ്മുടെ ആദ്യത്തെ team. ആദ്യം contributors ആയിരുന്ന ആളുകൾ പിന്നീട് core team ആയി മാറി."* Rather than viewing themselves as temporary contributors, these individuals developed long-term commitment because they experienced ownership over the product they helped create.Similarly, another participant repeatedly emphasised the importance of assigning ownership rather than simply delegating tasks.

"Ownership കൊടുക്കണം." The participant explained that employees should be trusted with responsibilities and encouraged to generate ideas independently, thereby increasing their commitment towards organisational objectives.

This long-term approach encouraged employees to identify with the organisation's mission while participating actively in its gradual growth.The findings therefore suggest that ownership functioned as an important non-financial retention strategy, enabling startups to retain talented individuals despite limited organisational resources.

Interpretation of Theme 2

The findings indicate that startup founders adopted innovative human capital acquisition strategies that extended far beyond conventional recruitment practices. Across the participants' narratives, talent acquisition was described as a long-term relational process built upon organisational purpose, leadership, collaboration, continuous learning, and employee empowerment rather than financial incentives alone. Participants consistently recognised that, during the early stages of startup development, resource constraints prevented them from competing with established organisations through salaries or employment benefits. Instead, they attracted individuals by creating meaningful work, encouraging ownership, investing in employee development, and fostering collaborative organisational cultures. These strategies enabled startups to acquire committed individuals who identified with the organisational vision and were willing to contribute towards its long-term success.

The participants further demonstrated that effective human capital acquisition involves developing people rather than merely recruiting them. Employees were encouraged to learn through experience, assume leadership responsibilities, contribute ideas, and participate actively in organisational decision-making. Such practices strengthened employee commitment while simultaneously reducing founder dependency as the organisation expanded. The findings also reveal that complementary teams, shared ownership, and mission-driven organisational cultures became valuable strategic resources that compensated for financial limitations. Consequently, the participants viewed people not as organisational costs but as long-term strategic assets capable of sustaining organisational growth.

In the present study, participants demonstrated that even in the absence of financial capital, startups can strengthen organisational survival by developing committed human capital through learning, empowerment, collaboration, and a shared organisational vision. These strategies enabled the participants to transform resource limitations into opportunities for building resilient and sustainable organisations.

5.4 Theme 3: Employer Branding and Organisational Reputation

The findings indicate that employer branding played a significant role in attracting and retaining human capital despite the absence of established organisational reputation during the early stages of startup development. Unlike large organisations that rely on brand recognition, compensation, and established career pathways to attract employees, the founders in this study described employer branding as something gradually built through organisational values, leadership behaviour, meaningful work, innovation, and opportunities for learning. Across the three cases, organisational reputation was not viewed as an outcome of marketing activities alone but as a reflection of how founders communicated their vision, treated employees, created organisational culture, and demonstrated commitment towards societal impact. The analysis suggests that employer branding functioned as a strategic human resource mechanism that compensated for financial limitations while strengthening both talent attraction and employee retention.

Sub-theme 3.1: Building Employer Reputation through Organisational Purpose

The findings indicate that organisational purpose emerged as one of the strongest dimensions of employer branding across the participants' narratives. Rather than depending on financial rewards or organisational prestige to attract employees, the participants consistently described that individuals became associated with their organisations because they identified with the larger purpose of the venture. One participant explained that the organisation's earliest team did not emerge through formal recruitment but through shared belief in the project, stating, *"Community തന്നെയാണ് നമ്മുടെ ആദ്യത്തെ team. ആദ്യം contributors ആയിരുന്ന ആളുകൾ പിന്നീട് core team ആയി മാറി."* This illustrates that commitment to the organisational mission preceded formal employment relationships. Similarly, another participant highlighted that organisational success was always viewed as a collective achievement, remarking, *"You made this possible. You're the story," while also stating, "The thing I enjoyed the most was teaching new things to my team members, my co-founders, and every individual associated with my organisation."* These narratives suggest that the organisation positioned learning, contribution, and social impact at the centre of its identity rather than focusing solely on business growth.

A similar pattern was evident in another participant's account, where the startup's purpose extended beyond developing technological products. As the participant explained, *"Our objective was never to build just another drone. We wanted to create an integrated solution that improves farmers' income and agricultural productivity."* This demonstrates that the organisation was built around solving a meaningful societal problem, which strengthened its attractiveness to individuals who wished to contribute to a larger mission. Across all the participants, organisational purpose emerged as an important employer branding mechanism that encouraged talented individuals to associate with startups despite financial uncertainty. These findings therefore indicate that employer branding in resource-constrained startups is built primarily by communicating a compelling organisational purpose capable of creating emotional commitment and long-term engagement.

Sub-theme 3.2: Organisational Culture as an Employer Branding Strategy

The findings indicate that organisational culture significantly influenced the way participants attracted, engaged, and retained employees. Across the interviews, culture was not described as an abstract organisational concept but as something intentionally created and continuously reinforced by founders. One participant described founders *as "ഒരു founder എന്നുപറയുന്നത് ഒരു organisation-ന്റെ cultural architect കൂടെയാണ്... ഓരോ founders-ും role models ആണ്,"* emphasising that employees closely observe the behaviour of founders while forming their own understanding of organisational values. The same participant further explained that organisational culture should begin during onboarding, stating*, "Onboarding മുതൽ exit വരെയുള്ള process-ൽ culture ഉൾപ്പെടുത്തണം," and should be continuously reinforced because "Culture നമ്മൾ നിരന്തരമായി communicate ചെയ്തു കൊണ്ടിരിക്കണം. ഈ communication ഒരു ritual ആക്കണം."* These narratives demonstrate that culture was viewed as an ongoing organisational process rather than a written policy.

A similar emphasis on culture was evident across the other participants. One participant reflected that the greatest challenge was not creating a community but sustaining alignment as the organisation expanded, explaining, *"Hardest part community build ചെയ്യുന്നതല്ല... എല്ലാവരെയും ഒരേ direction-ലേക്ക് align ചെയ്ത് കൊണ്ടുപോകുന്നതാണ്." Likewise, another participant described organisational expansion by stating, "Infrastructure gradual ആയി develop ചെയ്തുകൊണ്ടിരിക്കുന്നു. നമ്മുടെ team manpower ഏറ്റവും കൂടുതൽ ഏറ്റവും best ആളുകളെ തന്നെ onboard ചെയ്തുകൊണ്ടിരിക്കുന്നു,"* indicating that organisational growth was accompanied by deliberate efforts to recruit individuals who aligned with the organisation's values and long-term vision. These findings suggest that organisational culture became an important employer branding strategy by fostering trust, belonging, collaboration, and shared responsibility. Consequently, startups were able to compensate for limited financial resources by creating positive employee experiences that strengthened both talent attraction and employee retention.

Sub-theme 3.3: Leadership Behaviour Strengthening Organisational Reputation

The findings indicate that leadership behaviour played a significant role in shaping organisational reputation and employees' perceptions of the organisation. Across the participants, leadership was consistently described as empowering people rather than exercising authority. One participant explained that founders should avoid solving every organisational problem themselves and instead encourage employees to think independently, stating, *"Founder എന്നത് എല്ലാ മീറ്റിങ്ങിലും ideas പറയുന്ന ഒരാൾ മാത്രമല്ല. ഒരു നല്ല founder ideas കേൾക്കും, refine ചെയ്യും, ownership കൊടുക്കും." The participant further remarked, "People don't quit companies; they quit bad managers,"* suggesting that employees' experiences with leadership strongly influence their willingness to remain within an organisation. These narratives demonstrate that leadership behaviour contributes directly to employer branding because employees associate organisational reputation with the way founders communicate, support, and empower their teams.

Similar patterns were evident in the remaining cases. One participant built trust by transforming voluntary contributors into long-term organisational members, reflecting that *"Community തന്നെയാണ് നമ്മുടെ ആദ്യത്തെ team*," thereby creating a leadership approach based on collaboration and shared ownership rather than hierarchical authority. Likewise, another participant demonstrated organisational accountability by explaining, *"Our first batch of drones met all technical standards, but customers expected a simpler user experience. We recalled the products, redesigned them based on customer feedback, and delivered improved versions."* This response illustrates that leadership extended beyond managing employees to demonstrating responsibility towards customers and continuously improving organisational practices. Collectively, these findings indicate that authentic leadership strengthened employer branding by creating trust, transparency, and opportunities for participation. In resource-constrained startups, where founders often become the public face of the organisation, leadership behaviour itself becomes a strategic organisational asset that supports talent attraction, employee retention, and long-term organisational sustainability.

Interpretation of Theme 3

The findings indicate that employer branding within startups is fundamentally different from employer branding in established organisations. Across all three participants, organisational reputation was built not through formal branding campaigns or attractive compensation packages but through organisational purpose, collaborative culture, authentic leadership, and meaningful work. Participants consistently demonstrated that employees remained committed because they believed in the organisation's mission, experienced opportunities for learning and ownership, and trusted the founders' leadership. Statements such *as* ***"You made this possible.***

You're the story," collectively illustrate that employer branding was grounded in shared purpose and employee experience rather than external recognition.

Pattern matching across the participants further strengthens this interpretation. Although the participants represented technology, educational technology, and agritech startups, all described employer branding as a strategic organisational capability that enabled them to attract and retain talented individuals despite limited financial resources. The software startup relied on community participation and collaborative development, the educational technology venture emphasised learning, mentoring, and organisational culture, while the agritech startup built credibility through customer-centred innovation and a strong social mission. This convergence suggests that employer branding functions as an important human resource strategy that strengthens human capital acquisition, enhances employee commitment, and contributes to startup survival under conditions of uncertainty.

5.5 Theme 4: Influence of the Founder's Background

Introduction to the Theme

The findings reveal that the founders' personal backgrounds significantly influenced the manner in which they established, managed, and sustained their organisations. Rather than functioning merely as personal histories, the founders' educational experiences, professional careers, family circumstances, entrepreneurial failures, and personal values shaped their approaches to leadership, recruitment, team building, and organisational development. Across the three cases, the participants demonstrated that entrepreneurship was strongly influenced by lived experiences that guided both strategic decision-making and human resource practices. The analysis indicates that the founders' backgrounds influenced not only the creation of innovative business ideas but also the development of organisational cultures that prioritised learning, collaboration, resilience, and long-term people development. These experiences became valuable organisational resources that contributed to startup sustainability under conditions of uncertainty and resource constraints.

Sub-theme 4.1: Personal Experiences as the Foundation for Entrepreneurial Vision

The findings indicate that the founders' entrepreneurial visions emerged primarily from their personal experiences rather than from the identification of commercial opportunities alone. Across the participants, lived experiences such as financial hardship, exposure to social problems, previous careers, and personal interests shaped the motivation to establish ventures that addressed real-world challenges. One participant reflected on repeated entrepreneurial failures before establishing a successful startup, stating, *"Personally, ഞാൻ ഏകദേശം പത്ത് പ്രാവശ്യം fail ആയിട്ടുണ്ട്. പതിനൊന്നാമത്തെ project ആണ് വിജയിച്ചത്."* This narrative suggests that previous failures were not perceived as barriers to entrepreneurship but as learning experiences that strengthened resilience and confidence. The participant's earlier struggle to obtain an education loan and overcome financial hardship further illustrates how adversity shaped persistence, which later became central to organisational growth.

A similar pattern was observed among the other participants. One participant described *himself as "an accidental entrepreneur"* and explained, *"The thing I enjoyed the most was teaching new things to my team members, my co-founders, and every individual associated with my organisation."* This indicates that the organisation was founded on a strong commitment to education and people development rather than solely on commercial objectives. Likewise, another participant explained, *"My passion was always drones. I realised that instead of following a conventional job, I wanted to build technology that could solve real problems faced by farmers."* Growing up in an agricultural family enabled the participant to recognise practical farming challenges, which later influenced the development of an agritech startup. These findings suggest that the founders' lived experiences became the foundation of their entrepreneurial vision and organisational purpose. In relation to the fourth research question, the findings demonstrate that founder background significantly influences the type of venture established, the organisational mission, and the values that guide recruitment and organisational development.

Sub-theme 4.2: Founder Background Influencing Leadership and Human Capital Development

The findings indicate that the founders' educational and professional backgrounds significantly influenced their approaches to leadership, recruitment, and employee development. Rather than adopting standard management practices, the participants translated their previous experiences into people management philosophies that shaped organisational culture and human capital development. One participant's experience as a teacher strongly influenced a leadership style centred on employee empowerment. The participant stated, *"ആദ്യം നിങ്ങൾ ഒരു rescuer ആകരുത്... അവർ struggle ചെയ്യണം, decision എടുക്കണം, mistakes*

ചെയ്യണം. അങ്ങനെ മാത്രമേ നല്ല leaders ഉണ്ടാകൂ." The participant further explained, *"Founder എന്നത് എല്ലാ മീറ്റിങ്ങിലും ideas പറയുന്ന ഒരാൾ മാത്രമല്ല... ownership കൊടുക്കണം."* These narratives indicate that leadership was viewed as facilitating learning and developing future leaders rather than directing employees through close supervision.

Similar patterns were evident across the remaining participants. One participant explained that the organisation's first team evolved through collaborative participation, stating, *"Community തന്നെയാണ് നമ്മുടെ ആദ്യത്തെ team."* This reflects how previous experience within the software development ecosystem encouraged the founder to adopt a community-based approach to talent acquisition rather than relying on conventional recruitment methods. Collectively, these findings suggest that founder background directly influences leadership philosophy, recruitment strategies, and approaches to developing human capital. The findings therefore support the fourth research question by indicating that previous experiences become valuable organisational resources that shape both people management and startup sustainability.

Sub-theme 4.3: Resilience and Continuous Learning Supporting Organisational Sustainability

The findings indicate that resilience and continuous learning emerged as important characteristics shaped by the founders' previous experiences and played a significant role in sustaining organisational growth under conditions of uncertainty. Across the participants, setbacks and challenges were consistently interpreted as opportunities for learning rather than as reasons to discontinue entrepreneurial efforts. One participant reflected on this philosophy by stating, *"The beauty of the process is to continue without quitting," while also observing, "The biggest issue you will face is a lack of self-confidence or self-motivation. Nobody else can give it to you—you have to motivate yourself."* These narratives suggest that resilience was viewed as an internal capability that enabled founders to overcome repeated failures, resource constraints, and organisational uncertainty.

A similar perspective emerged across the other participants. One participant explained that organisational growth should never be viewed as a final achievement, remarking, *"This isn't a peak. This is a checkpoint. Because what's coming next... we haven't even built yet."* This illustrates a mindset of continuous improvement and lifelong learning. Likewise, another participant explained that sustainable growth depended on gradual organisational development rather than rapid expansion, stating, *"Our focus has always been on studying customer requirements and scaling gradually rather than chasing investment alone."* These findings indicate that continuous learning was not confined to individual founders but gradually became embedded within organisational practices, influencing innovation, decision-making, and people development. In relation to the fourth research question, the findings suggest that the founders' resilience and learning orientation significantly contributed to organisational survival by enabling them to adapt to changing circumstances, strengthen employee capabilities, and sustain long-term organisational growth.

Interpretation of Theme 4

The findings demonstrate that the founders' personal backgrounds significantly influenced the way they established, managed, and sustained their organisations. Across the participants, experiences of financial hardship, repeated entrepreneurial failure, teaching, engineering, agriculture, and previous professional careers shaped leadership philosophy, organisational values, recruitment practices, and approaches to team development. Participants consistently demonstrated that their previous experiences extended beyond personal biography and became organisational assets that guided strategic decision-making and human capital management.

Pattern matching across the three participants further strengthens this interpretation. Although the founders represented diverse sectors and possessed different educational and professional backgrounds, all demonstrated that their previous experiences influenced organisational resilience, leadership behaviour, recruitment strategies, and approaches to developing employees. Participants transformed personal hardship and entrepreneurial failure into persistence and community-based team building. This convergence across the participants suggests that founder background functions as a strategic organisational resource that shapes human capital acquisition, organisational culture, and startup survival.

CHAPTER 6

FINDINGS, SUGGESTIONS AND CONCLUSION

6.1 Introduction

This chapter presents the major findings of the study titled "Human Capital Acquisition Challenges and Their Influence on Startup Survival: A Qualitative Study of Technology Startup Founders." The findings are organised according to the specific research questions and the four major themes identified through Braun and Clarke's Reflexive Thematic Analysis. The themes include Human Capital Acquisition Challenges, Strategic Approaches to Human Capital Acquisition, Employer Branding and Organisational Reputation, and Influence of the Founder's Background. The findings demonstrate how startup founders experience challenges in acquiring human capital, the strategies they employ to overcome these challenges, and the influence of these practices on startup survival and organisational sustainability.

6.2 Findings

6.2.1 Finding related to Human Capital acquisition challenges

(Addresses Research Question 1 To identify the major human capital acquisition challenges experienced by startup founders during the early stages of startup development.)

The findings reveal that startup founders encounter significant challenges in acquiring suitable human capital during the early stages of venture creation. Financial limitations emerged as the most prominent barrier, restricting founders' ability to offer competitive salaries, employee benefits, and career security comparable to established organisations. Limited organisational resources also delayed recruitment, forcing founders to postpone hiring decisions and manage multiple organisational functions independently.

The study further found that attracting technically competent employees who also demonstrated commitment towards the startup's vision was considerably more difficult than identifying candidates with technical skills alone. Participants consistently emphasised that startups require individuals who are adaptable, willing to learn, capable of performing multiple roles, and committed to organisational growth despite uncertain working conditions. The absence of an established employer reputation and limited organisational visibility further reduced founders' ability to attract experienced professionals.

Another important finding was the high dependence on founders during the initial stages of startup development. Due to resource constraints and limited workforce availability, founders assumed multiple responsibilities across technical, operational, managerial, and administrative functions before gradually building formal organisational teams. The findings therefore indicate that human capital acquisition extends beyond recruitment and represents a strategic organisational challenge that directly influences startup survival, organisational growth, and long-term sustainability

6.2.2 Finding related to Strategic Approaches to Human Capital Acquisition

(Addresses Research Question 2 To explore the strategies adopted by startup founders to attract and acquire talent under resource-constrained conditions.)

The findings indicate that startup founders adopted several innovative and people-centred strategies to overcome resource limitations and attract capable employees. Rather than relying exclusively on conventional recruitment methods, participants focused on developing long-term relationships with individuals who shared the organisational vision and demonstrated commitment towards the startup's objectives. Many founders initially built their teams through professional communities, contributor networks, and personal relationships before establishing structured recruitment processes.

The study also found that communicating a meaningful organisational purpose served as an effective strategy for attracting talented individuals when financial incentives were limited. Participants highlighted that employees were more likely to join startups when they identified with the organisational mission and believed that their work contributed to a broader social or technological impact.

Another important strategy involved investing in employee development through continuous learning, mentoring, leadership opportunities, and empowerment. Instead of recruiting only highly experienced professionals, founders deliberately developed employees internally by encouraging independent decision-making, problem-solving, innovation, and leadership development. Participants also emphasised building complementary teams by recruiting individuals with diverse expertise and assigning responsibilities based on strengths rather than hierarchy.

Furthermore, the findings reveal that founders promoted ownership by involving employees in organisational decision-making and entrusting them with meaningful responsibilities. This created psychological commitment, strengthened employee engagement, and improved retention despite limited financial resources. Collectively, these findings demonstrate that startup founders adopted relationship-based, purpose-driven, and developmental approaches to human capital acquisition that contributed significantly to organisational sustainability.

6.2.3 Finding related to Employer Branding and Organisational Reputation

(Addresses Research Question 3 To examine the role of employer branding and organisational reputation in supporting talent acquisition and retention within startups.)

The findings demonstrate that employer branding plays a crucial role in enabling startups to attract and retain talented individuals despite operating under resource constraints. Participants consistently explained that organisational reputation extends beyond external recognition and is primarily shaped by the organisational culture experienced by employees. Founders recognised that creating a positive work environment characterised by trust, collaboration, transparency, learning opportunities, and employee empowerment significantly enhanced their ability to attract committed employees.

The study further found that startups were unable to rely solely on financial incentives to compete with established organisations. Consequently, employer branding was developed by communicating organisational values, mission, and long-term vision while creating an environment where employees experienced belongingness, recognition, and ownership. Participants believed that employees who identified with the organisational purpose became ambassadors of the startup, thereby strengthening its reputation within professional networks and attracting additional talent.

The findings also indicate that organisational reputation supported employee retention by fostering trust, mutual respect, and strong interpersonal relationships between founders and employees. Rather than viewing employer branding as a marketing activity alone, founders considered it an ongoing organisational process that integrated leadership behaviour, organisational culture, employee development, and workplace experiences. These findings suggest that a strong employer brand functions as a strategic human resource advantage that contributes directly to startup sustainability.

6.2.3 Finding related to Influence of the Founder's Background

(Addresses Research Question 4 To investigate the influence of the founder's background on the sustainability of the initiative.)

The findings reveal that the founder's background significantly influences startup sustainability through its impact on leadership practices, recruitment decisions, organisational culture, and human capital development. Participants highlighted that founders' previous professional experiences, technical expertise, entrepreneurial exposure, and personal values shaped the approaches adopted for acquiring, developing, and retaining employees.

The study found that founders who possessed strong leadership capabilities placed greater emphasis on mentoring employees, encouraging innovation, distributing ownership, and creating opportunities for continuous learning. Participants also recognised that founders' communication skills, ability to inspire trust, and commitment to employee growth influenced organisational commitment and workforce stability. Rather than functioning solely as business leaders, founders acted as mentors, facilitators, and organisational role models whose behaviours significantly shaped employee motivation and organisational culture.

Another important finding was that complementary founder backgrounds strengthened startup sustainability by enabling effective division of responsibilities according to individual expertise. Founders with diverse technical and managerial competencies were better able to address organisational challenges while simultaneously supporting business growth and workforce development. Overall, the findings indicate that the founder's background serves as a strategic organisational resource that influences human capital acquisition, leadership effectiveness, organisational resilience, and long-term startup survival.

6.3 Suggestions

Based on the findings of the study, the following suggestions are proposed to strengthen human capital acquisition and retention practices among technology startups

6.3.1 Developing Early Talent Pipelines through Academic Institutions and Startup Ecosystems

Startup founders may establish early talent pipelines by actively engaging with universities, higher educational institutions, incubation centres, and entrepreneurship development cells even before formal organisational expansion. Presenting startup ideas through guest lectures, project collaborations, hackathons, innovation challenges, internships, and campus engagement programmes may enable founders to identify talented individuals whose skills and aspirations align with the startup's vision. Such early engagement may reduce sourcing challenges, create a pool of potential future employees, and facilitate recruitment through sustained professional relationships rather than reactive hiring.

6.3.2 Strengthening Employer Branding through Early Professional Networking

Startup founders may strengthen employer branding by actively building professional networks from the earliest stages of venture development rather than waiting until the organisation becomes well established. Participating in startup summits, industry conferences, technology meetups, entrepreneurial forums, incubation programmes, guest lectures, panel discussions, innovation challenges, and networking events may provide opportunities to communicate the startup's vision, showcase innovative ideas, and establish credibility within the entrepreneurial ecosystem. Engaging in meaningful conversations with industry professionals, mentors, potential collaborators, and prospective employees may enhance organisational visibility and create positive perceptions of the startup before formal recruitment begins. Such early networking efforts may not only expand professional connections but also contribute to building a strong employer brand, enabling founders to develop talent pipelines and attract skilled individuals through established relationships rather than relying primarily on conventional recruitment methods.

6.4 Conclusion

This study explored the human capital acquisition challenges experienced by technology startup founders and examined how these challenges influence startup survival and sustainability. The findings demonstrate that acquiring suitable human capital is one of the most critical strategic challenges encountered during the early stages of startup development. While financial constraints, limited organisational visibility, and competition from established organisations created significant barriers to attracting skilled employees, the study also revealed that successful human capital acquisition extends beyond financial resources. Startup founders emphasised the importance of identifying individuals who possess not only technical competence but also adaptability, commitment to the organisational vision, and the willingness to contribute within resource-constrained environments. These findings illustrate that the quality and alignment of human capital play a fundamental role in shaping organisational resilience and long-term sustainability.

The study further highlights that startup founders respond to these challenges by adopting innovative and people-centred approaches to talent acquisition and management. Shared organisational vision, continuous learning opportunities, employee empowerment, complementary team formation, and ownership emerged as key strategies for attracting and retaining talented individuals. The findings also demonstrate that employer branding and organisational reputation are not solely external promotional activities but are shaped by organisational culture, trust, transparency, leadership, and the overall employee experience. Furthermore, the founder's professional background, leadership style, and personal values were found to significantly influence recruitment practices, employee engagement, organisational culture, and ultimately the sustainability of the startup The study reinforces that employees represent a strategic organisational asset whose knowledge, skills, and capabilities contribute directly to organisational performance and competitive advantage.

Overall, the study contributes to Human Resource Management by shifting the discussion on startup survival from a predominantly finance- and innovation-oriented perspective to a people-centred perspective. It highlights that human capital acquisition is a strategic capability that influences organisational resilience, growth, and long-term sustainability. By documenting the lived experiences of startup founders, the study provides context-specific insights that can guide aspiring entrepreneurs, HR professionals, incubation centres, and policymakers in designing sustainable talent acquisition and people management practices. It also addresses an important qualitative research gap within the Kerala startup ecosystem and offers a foundation for future research on strategic human capital management in emerging startups.

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ANNEXURES

Interview Guide

Title of the Study: Human Capital Acquisition Challenges and its Influence on Startup Survival - A Study on Startup Founders

Duration of the Interview: Approximately 45-90 min.

Consent: Confirms voluntary participation, confidentiality (pseudonyms, secure storage), and right to pause/skip. Interviewer: Use empathetic listening; note non verbals; audio-record with permission

Section A: Background Information

1. Could you briefly introduce yourself and tell me about your startup (industry, year of establishment, team size, and your role as the founder)?

Section B: Interview Questions

2. Can you describe your experience of recruiting your first employees?

3. What strategies or approaches did you adopt to attract and recruit talented individuals despite the resource constraints faced by your startup?

4. In your opinion, what qualities or characteristics do you look for when selecting employees for your startup, apart from technical skills?

5. How has your startup's organisational culture, vision, or employer reputation helped (or hindered) you in attracting and retaining talented employees?

6. Is there any experience where difficulties in acquiring or retaining the right people significantly affected your startup's growth, operations, or survival?

7. How have your personal background, previous work experience, or entrepreneurial journey influenced the way you recruit, lead, and manage people in your organisation?

8. Looking back, how have your human capital acquisition practices evolved as your startup has grown from the initial stage to its current stage?

9. Based on your experience, what advice would you give to new startup founders regarding attracting, recruiting, and retaining the right people for long-term startup success?