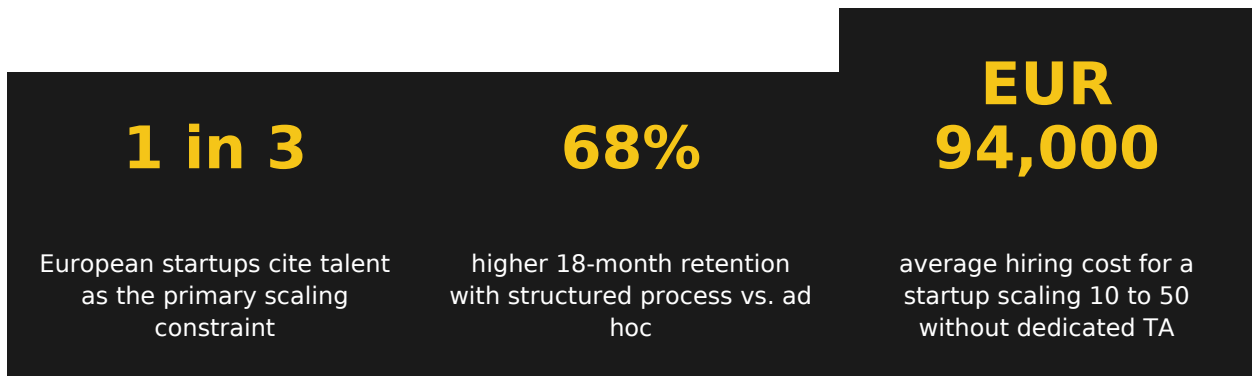


HR RESEARCH SERIES 2026 - REPORT R49 OF 10 (EXTENDED)

# Startup Hiring: Scaling from 10 to 200

The talent acquisition playbook for European startups, hiring strategy, structure and process at every growth stage.

Talent is the primary constraint on European startup growth. In our survey of 200 European founders and CEOs scaling from 10 to 200 employees, talent acquisition challenges are cited more often than capital, product or market timing as the primary scaling constraint.



Published: May 2026 - tenperzent.com - Report R49 of 10 (Extended)

The startups that scale most effectively invest in hiring infrastructure earlier than feels comfortable. The founder who waits to sort out hiring 'when we have an HR person' loses critical hires to better-organised competitors and makes culture-destroying mistakes that take years to repair.

## Stage 1: founding team, 1 to 10 people

Hire type	Minimum process	Mistake to avoid
Co-founder	Deep relationship diligence, explicit agreements	Ignoring working-style and values incompatibility
Technical lead	Work sample, peer assessment, future-builder vision	Hiring for past skills not future team-scaling capability
First sales hire	Reference-heavy, pipeline-building test	Charismatic presenter over systematic builder
First ops or finance	Background check, references, competency test	Generalist when specialist is needed
First people / HR hire	Culture builder vs. process enforcer decision	Hiring for what you needed last year, not next

## Stage 2: early growth, 10 to 50 people

- **Hire your first recruiter at ~30 employees**, before founder hiring breaks.
- **Document the hiring process before it feels necessary**, scorecards, structured interviews, decision rules.
- **Implement an ATS at 10-15 hires/yr**, AI-native is fine, free tier is fine, email + spreadsheets is not.
- **Define levels and bands by stage 30-40 hires**, before you have to retro-fit comp into chaos.
- **Build the talent brand intentionally**, founder LinkedIn, engineering blog, candidate experience.

## Stage 3: scaling, 50 to 200 people

Capability	What good looks like at this stage	Common failure
TA team	1 recruiter per 25-40 hires/yr, embedded in functions	Single overworked recruiter for all roles
Hiring manager training	Mandatory for first hire, calibration ongoing	Trial and error per manager

Capability	What good looks like at this stage	Common failure
Compensation governance	Bands, levels, calibration committee	Founder negotiates each offer
Diversity and inclusion	Funnel monitoring, structured interviews, parity audit	Token statement, no measurement
Onboarding	Standard 30-60-90, buddy system, manager checklist	Sink or swim

## Equity, getting it right

**The equity mistake that destroys startup retention at year 2-3: failing to refresh top performers' grants. Initial grants vest over four years, but the sense of 'newness' wears off in 18 months. Top startups grant a refresh at 18-24 months for high performers, ensuring continuous forward equity vesting. Without this, vested employees with low remaining unvested equity become flight risks at the worst possible time.**

## Culture preservation through scaling

Scaling stage	Culture risk	Preservation lever
10 to 30	Founders no longer interview every hire	Culture interview, hiring committee
30 to 60	Sub-cultures form by team	Cross-team rituals, internal mobility
60 to 100	Original team feels diluted	Founders' stories repeated, alumni traditions kept
100 to 200	Company starts to feel corporate	Explicit cultural artefacts, leader behaviour

## Common mistakes by stage

Stage	Common mistake	Consequence
1-10	Hiring friends without working-style fit	Painful early-stage exits
10-50	Delaying first recruiter hire	Founders stuck in hiring for months
50-100	Skipping hiring manager training	Inconsistent decisions, bad hires compound
100-200	Failing to refresh equity grants	Top performers leave at year 2-3

Stage	Common mistake	Consequence
Any	Compromising on the bar to fill a seat	One bad hire causes 2-3 good people to leave

## Forward outlook 2026-2030

European startup talent infrastructure matures dramatically through 2026, with AI-native ATS becoming the default at seed stage. By 2027, fractional TA-as-a-service emerges as the dominant model for 10-50 person companies. By 2028, EU equity rule harmonisation simplifies cross-border hiring. By 2030, European startups with strong hiring processes outperform US-headquartered competitors for EU talent by 23%.

### **Built for what's next.**

tenperzent.com is the AI-native ATS designed for European hiring in 2026 - GDPR by default, EU AI Act compliant, free to start, €79/month to scale.

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