On the basis of a comprehensive panel dataset of establishments in Germany, we analyse how the post-entry growth of new establishments is influenced by the initial composition of the firms’ workforce. The possible impacts of these qualitative aspects of labor have not been examined in detail so far due to a lack of available data. We account, among others, for qualification, workload, age, nationality and several other characteristics of the employees. We find a strong linkage between a firm’s initial endowment with human capital of the employees and post-entry growth. Also, we find start-ups with a more flexible employment structure to show a significantly higher post-entry performance.