

Best Startup Employers 2020

Methodology

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Summary

The American startup scene is renowned for its dynamism and innovative drive. To attract the best talent for ensuring growth and performance, startups must compete with other innovative startups and large corporations that possess more spending power. The study “Best Startup Employers 2020” examines best performing startups⁽¹⁾ as an employer through defined KPI’s to guide potential candidates in finding innovative and stable startups to work for.

- The Best Startup Employers have been identified by analyzing more than 7 million datapoints. The data is gathered via a social listening campaign and extensive desk research. All data was gathered in Q4 of 2019.
- In the first step of a gradual approach organic growth and size were considered to narrow down an initial longlist of more than 10,000 companies to 2,500 companies that qualified for the in-depth analysis.
- The detailed evaluation of 2,500 employers was based on three different criteria⁽²⁾:
 - a) Reputation as an employer** (measured via KPIs of the social listening campaign in blogs, news, social media)
 - b) Employee satisfaction⁽³⁾** (measured via KPIs using data for average relative tenure and employee reviews)
 - c) Growth⁽³⁾** (measured via KPIs using data for headcount, traffic and job openings)



The 500 companies receiving the highest total score were awarded The Best Startup Employers 2020⁽⁴⁾

1) Companies considered in the evaluation must be headquartered in the U.S., founded between the years 2010 and 2017, employing at least 50 employees and exhibit a startup structure.

Spin-offs of large corporations without a significant amount of external funding are examples of companies not considered.

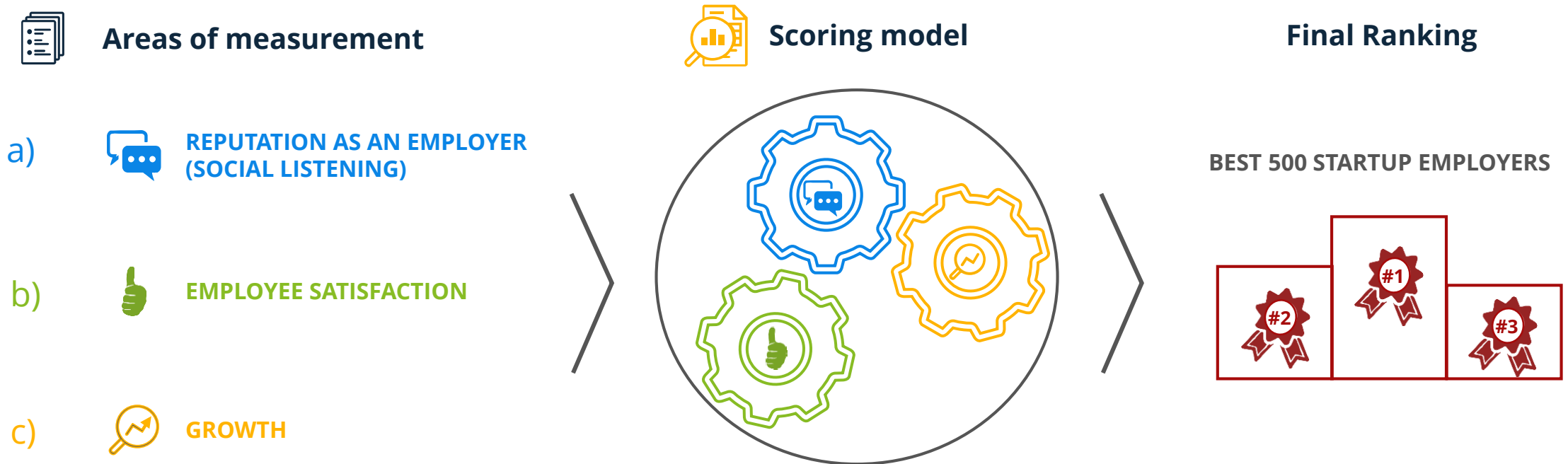
2) Please see the following pages for detailed information

3) Free accessible data gathered via desk research from various sources and company information is the basis for the KPI’s

4) The evaluation criteria were defined independently. The ranking is comprised exclusively of startups with the highest performance scores; a mention is therefore positive. The ranking was created through an elaborate process. The quality of startups as employers that are not included in the list is not disputed.

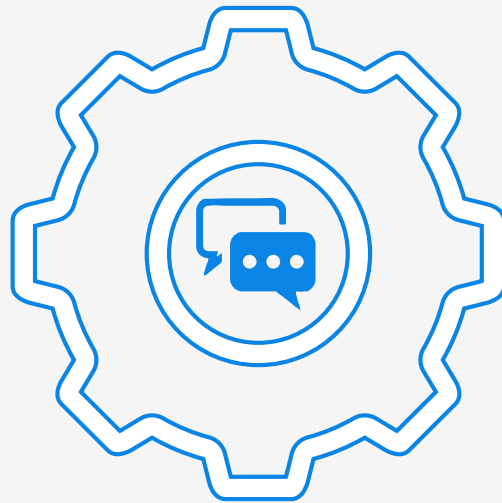
Ranking components – the evaluation criteria and scoring procedure

Comprehensive approach to analyze attractiveness of startups as employers



All areas of measurement combine the factors for analyzing startups as potential employers (good reputation, satisfied employees, growing business environment and relative stability). Through the use of a broad array of data sources it was ensured that a wide range of different companies could be examined.

Reputation as an employer (Social listening)



What is Social Listening?

Social Listening or Social Media measurement is the extraction of company specific information through social media channels, such as **news** sites, micro-blogs, **blogs** and **social networks**.

The combination of employer brand name and HR related buzzwords helps pinpoint relevant posts and articles that can be analyzed in terms of reach and virality as well as sentiment.

What was measured?

Through the use of employer relevant buzzwords (e.g. employee engagement, company/corporate culture, company strategy, ...) relevant posts and articles were highlighted and through **text analysis** categorized as **positive**, **neutral** or **negative**. With this data, the share of positive content could be evaluated

Furthermore, a posts **virality** and **reach** (no. of linkages, shares and estimated readership) factored into the evaluation.

The data was gathered between September and December 2019.

Employee Satisfaction



What is Employee Satisfaction?

Employee Satisfaction is important especially for companies in the early stages of maturity. Not only are happy employees productive employees, but they also represent the first line of marketing and can act as brand ambassadors.

Early hires can shape the development of startups in a profound way. They help build something from the ground up and identify closely with the service or product. **Employee retention** is key to faster and sustainable growth.

What was measured?

Employee reviews from various online rating platforms were incorporated into the score⁽¹⁾.

Employee retention was also taken into account. This indicator was measured by the **average length of employment** in relation to a company's founding year.

(1) If the overall number of reviews was less than five, the subscore was substituted by industry averages and the trend of existing reviews

Growth



What is Growth?

The main objective for many startups is growth. This is important not only for founders and shareholders but also for employees. Growth means **opportunities** to learn **new skills** and to take on new **responsibilities**.

An innovative, fast-moving atmosphere is a unique selling point for startups to differentiate themselves from corporate employers with stronger brand recognition that can easily outspend them in terms of salary and other corporate benefits.

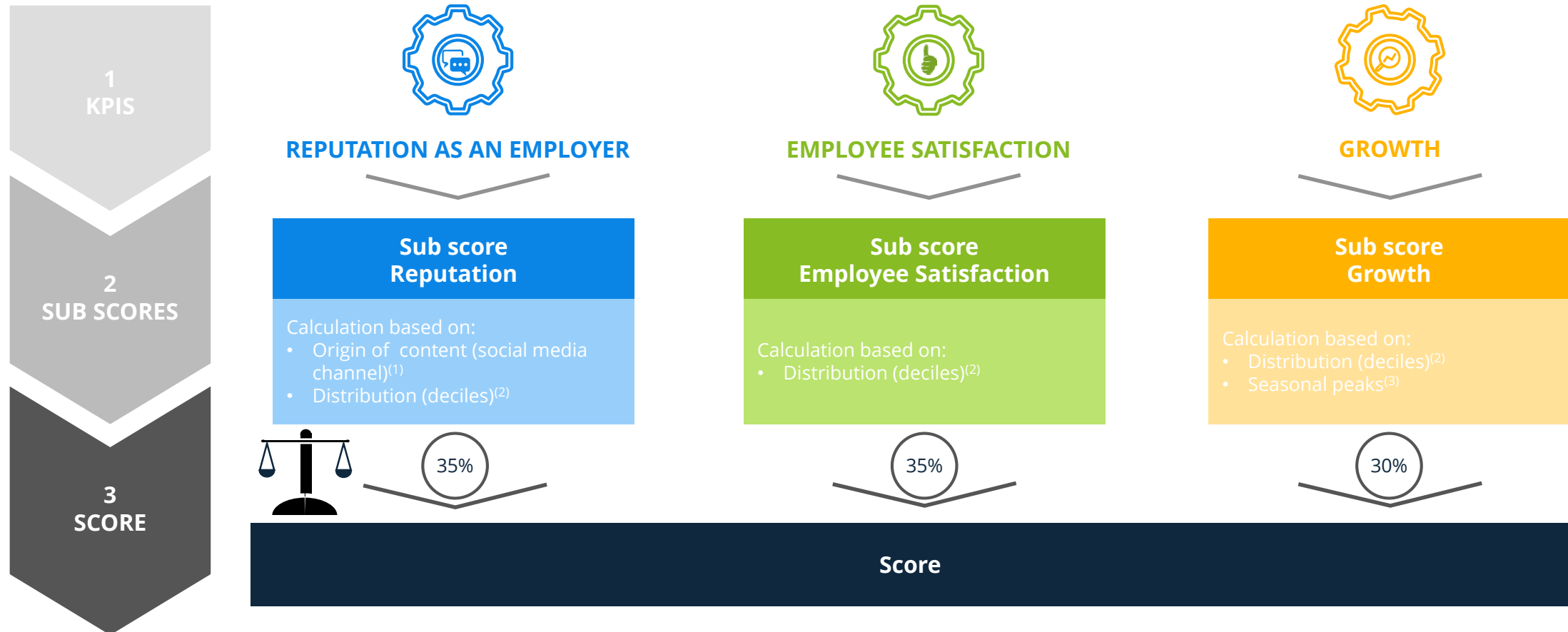
What was measured?

In the absence of hard and published revenue numbers the following three indicators were used to approximate a company's recent growth trajectory:

- **headcount growth** rate over a two-year time frame
- **website traffic growth** (to prevent statistical outliers from skewing the results a rolling average was used to normalize time series data)
- number of online **job openings** referenced to the size of the companies and industry averages

Scoring model

All gathered data builds the basis for the Top 500 ranking



(1) Different weightings are assigned to different types of media. Logistic regression analysis was used to evaluate the impact each channel has on the sub score.
(2) Scores reported on an ordinal basis and were attributed by the deciles.
(3) To control for seasonal peaks and valleys in the time series data, a 4-month rolling average was applied

Industries

Each employer grouped by industry

1. Advertising & Marketing
2. Biotechnology & Agriculture
3. Business Products & Software Services
4. Retail
5. Communication & Social
6. Robotics/Engineering
7. Professional Services
8. Education & EdTech
9. Energy & Resources
10. Manufacturing
11. Finance
12. Hardware & Electronics
13. Healthcare
14. Hospitality
15. Lifestyle & Health
16. Media & Entertainment
17. Real Estate
18. Security
19. Technology
20. Transportation & Logistics
21. Other