METHODOLOGY

America's Best Startup Employers 2024

February 2024

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Methodology – Best Startup Employers 2024

Summary

Despite recent macro-economic trends that lead to companies making their operations more efficient, most US-based startups are still performing exceedingly well on a global comparison. Especially in the US market, we continuously observe firms with innovative ideas and a relentless drive to disrupt established industries. The unbroken confidence in the strength of startups becomes visible as investors continue to place their trust in the US landscape. For the fifth time, the study "Best Startup Employers 2024" examines best performing startups as an employer through defined KPI's to guide potential candidates in finding innovative and stable startups to work for. Companies considered in the evaluation must be headquartered in the U.S., founded between the years 2014 and 2021, 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.
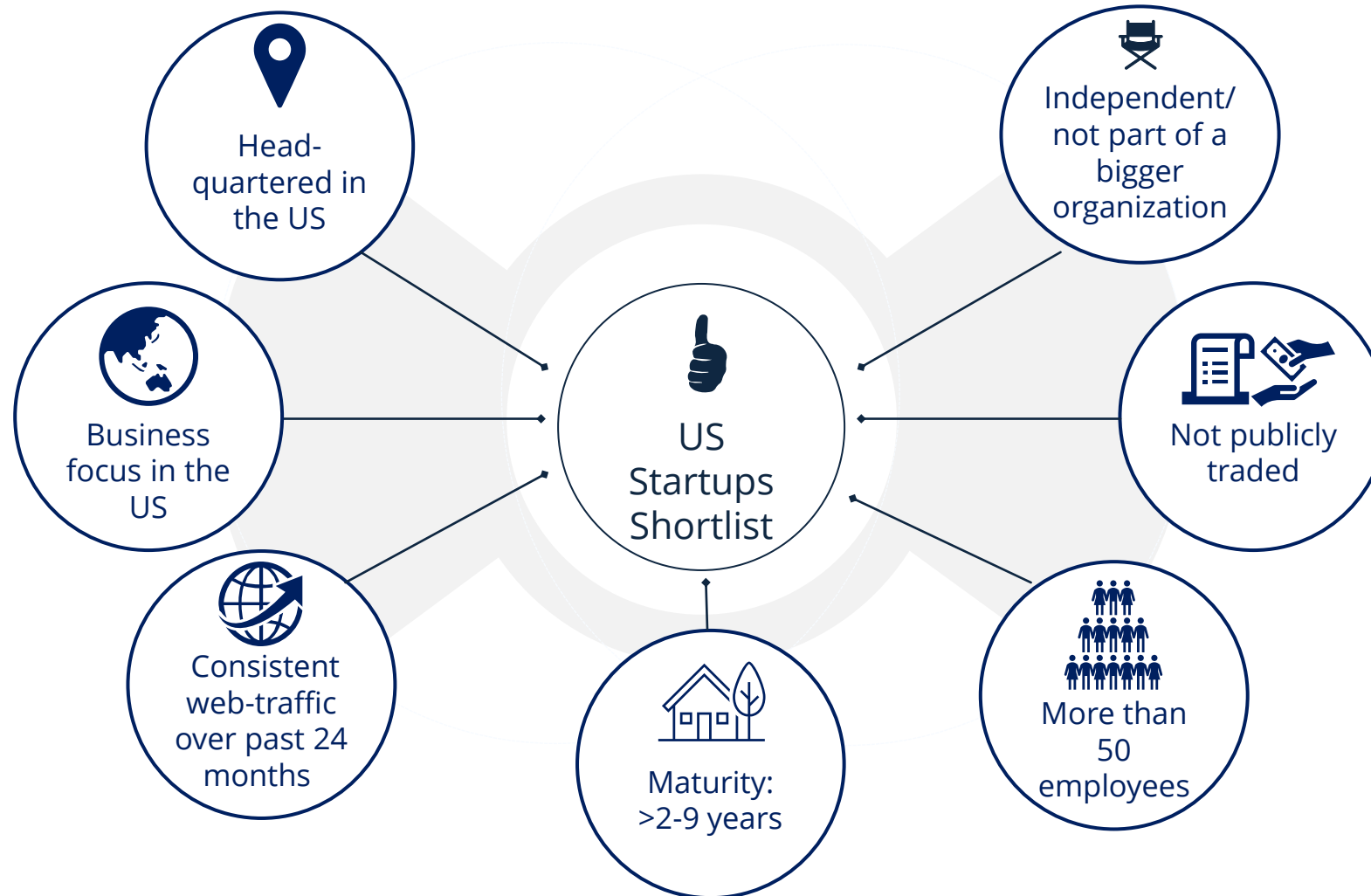
- Analysis of more than 7 million datapoints.

- All data gathered in Q3 and Q4 2023 via a social listening campaign and extensive desk research.

- First step: narrow down initial longlist of more than 20,000 companies to 3,000 companies that qualified for the in-depth analysis.

- The detailed evaluation of 3,000 employers was based on three different criteria:

  I. **Reputation as an employer (Social Listening)**

  II. **Employee satisfaction**

  III. **Growth**

      ➡ The 500 companies receiving the highest total score are awarded The Best Startup Employers 2024
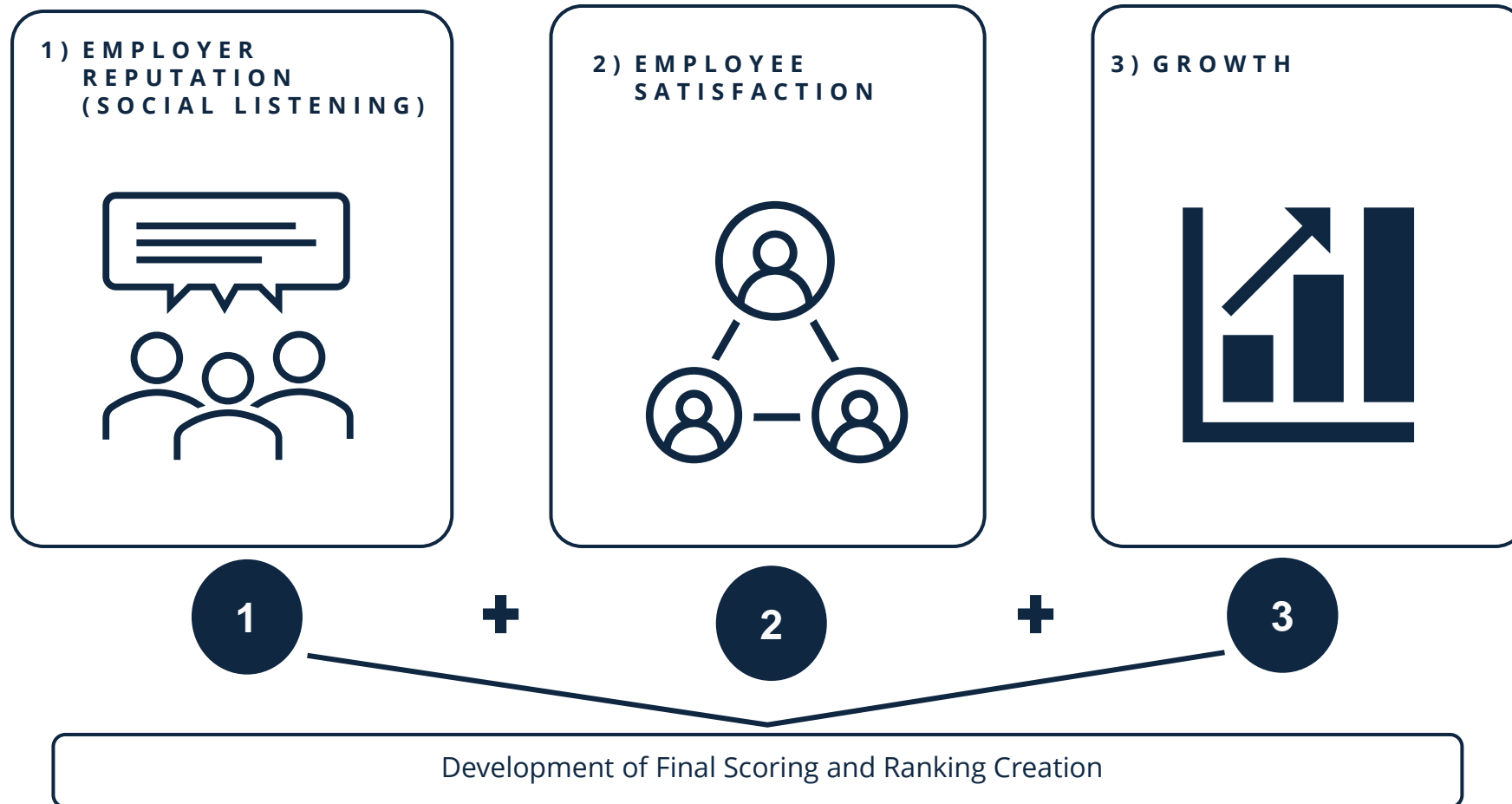
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Startup definition and shortlist selection criteria have evolved with the experience of previous years and rollout to different countries

Inclusion criteria for shortlist

- Head-quartered in the US
- Independent/ not part of a bigger organization
- Business focus in the US
- US Startups Shortlist
- Not publicly traded
- Consistent web-traffic over past 24 months
- Maturity: >2-9 years
- More than 50 employees

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Large amounts of data are gathered from a variety of sources using state-of-the-art methods as well as desk research

Main Pillars

1) EMPLOYER REPUTATION (SOCIAL LISTENING)

2) EMPLOYEE SATISFACTION

3) GROWTH

1 + **2** + **3**

Development of Final Scoring and Ranking Creation

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Social listening tracks and categorizes social media channels and web sources
Methodology: Employer Reputation

1

E M P L O Y E R   R E P U T A T I O N   (S O C I A L   L I S T E N I N G)

- A positive employer reputation helps in building and maintaining a sense of belonging and loyalty among employees, which can contribute to higher productivity and collaboration, essential elements for success in a startup.

- In a competitive job market, a positive employer reputation can make a startup more attractive to skilled professionals who are looking for not just a job, but an engaging and fulfilling work environment.

- Data on employer reputation is collected using a social listening approach. This approach tracks information from social media channels and web sources and categorizes it.

- The results describe employer attractiveness based on direct information linked to our specified companies.

W H A T   I S   M E A S U R E D ?

- Relevant workplace **aspects** and **search terms** are defined and tested (e.g., employee engagement, company/corporate culture, company strategy, …). For three months news sites, micro-blogs, blogs, and social networks will be tracked comprehensively regarding these aspects.

- Identified posts and articles are highlighted and through algorithm-based **text analysis** categorized as **positive**, **neutral** or **negative**. With this data, the share of positive content can be evaluated.

- Furthermore, the total **volume** of documents per company, a posts **virality** and **reach** (no. of linkages, shares and estimated readership) factored into the evaluation.

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Relevant KPIs researched on websites and job rating platforms
Methodology: Employee Satisfaction

2

E M P L O Y E E   S A T I S F A C T I O N

- Employee Satisfaction is important especially for companies in the early stages of maturity. 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.

- Not only are satisfied employees more productive, but they also represent the first line of marketing, can act as brand ambassadors and help to create a positive external perception.

- The indicators are identified, collected and evaluated through desk research and natural language processing.

W H A T   I S   M E A S U R E D ?

- Employee satisfaction can be measured through employee's **retention** (average length of employment in relation to a company's founding year) and **reviews** on the employer brands. The total number of reviews across openly accessible platforms, blogs and comments additionally indicates their **relevance as an employer**.

- Presence and form of keywords on topics such as:
  - **Compensation and benefits:** Analyze the employer's compensation package, including healthcare, leave policies, and other perks.
  - **Workplace flexibility:** Assess the employer's policies regarding remote work, flexible hours, and workspace mobility.
  - **Diversity and inclusivity:** Evaluate the employer's initiatives to promote diversity and inclusion in the workplace.

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Relevant KPIs researched on the website's careers pages and job rating and advertising platforms

Methodology: Growth Indicators

3   **G R O W T H**

- 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.
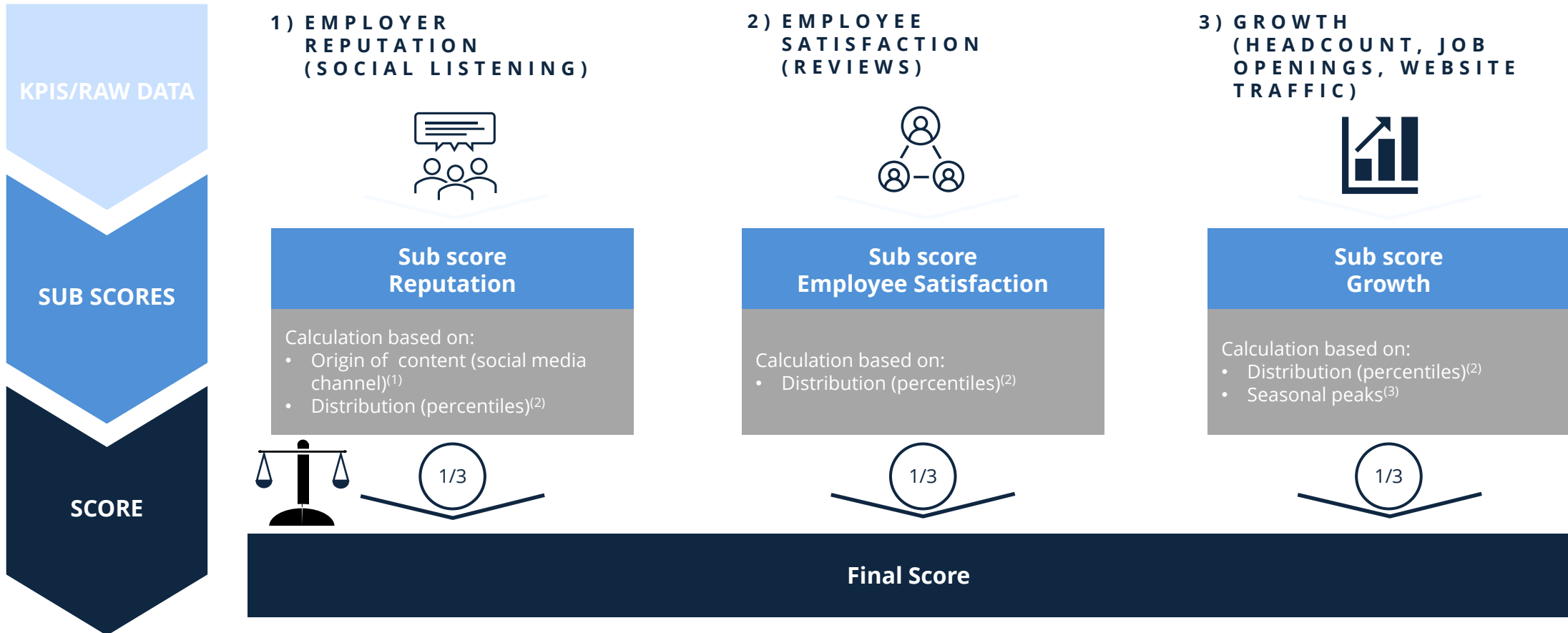
W H A T   I S   M E A S U R E D ?

In absence of comparable "hard" financial data a set of proxies for growth are evaluated:

- **Website traffic** (to prevent statistical outliers from skewing the results, a rolling average was used to normalize time series data)

- **Headcount growth**, calculated over a two-year time frame via websites, online platforms

- **Headcount total** as separate measure of growth success

- **Job openings**, referenced to company size, gathered from websites and openly accessible platforms

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Scoring model

All gathered data builds the basis for the Top 500 ranking

KPIS/RAW DATA

SUB SCORES

SCORE

1) EMPLOYER REPUTATION (SOCIAL LISTENING)

Sub score Reputation

Calculation based on:
- Origin of content (social media channel)[1]
- Distribution (percentiles)[2]

1/3

2) EMPLOYEE SATISFACTION (REVIEWS)

Sub score Employee Satisfaction

Calculation based on:
- Distribution (percentiles)[2]

1/3

3) GROWTH (HEADCOUNT, JOB OPENINGS, WEBSITE TRAFFIC)

Sub score Growth

Calculation based on:
- Distribution (percentiles)[2]
- Seasonal peaks[3]

1/3

Final Score

(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 percentiles.
(3) To control for seasonal peaks and valleys in the time series data, a 4-month rolling average was applied.

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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**

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