Best Startup Employers 2022

Methodology

Methodology – Best Startup Employers 2022

Summary

Despite two years of a pandemic which forced companies to transform and adapt their operations, layoff employees or even shut-down business, startups are performing exceedingly well and leading the recovery process of the economy on a global scale [1]. This is particularly visible in the USA, with many going through or planning for IPOs, and numerous startups reaching Unicorn status with multi-billion-dollar valuations. For the third time, the study "Best Startup Employers 2022" 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. Companies considered in the evaluation must be headquartered in the U.S., founded between the years 2012 and 2019, 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.

- The Best Startup Employers have been identified by analyzing more than 8 million datapoints. The data is gathered via a social listening campaign and extensive desk research. All data was gathered in Q4 of 2021.

- 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:

  a) **Reputation as an employer** (measured via the KPIs of the social listening campaign in blogs, news, social media)

  b) **Employee satisfaction**[2] (measured via the KPIs average relative tenure and employee reviews)

  c) **Growth**[3] (measured via the KPIs headcount, traffic and job openings)

  → The 500 companies receiving the highest total score were awarded The Best Startup Employers 2022[4]

1) https://www.forbes.com/sites/kjartanrist/2022/01/05/2022-startup-predictions-the-trends-sectors-and-tech-worth-watching/?sh=2e7a5e556082
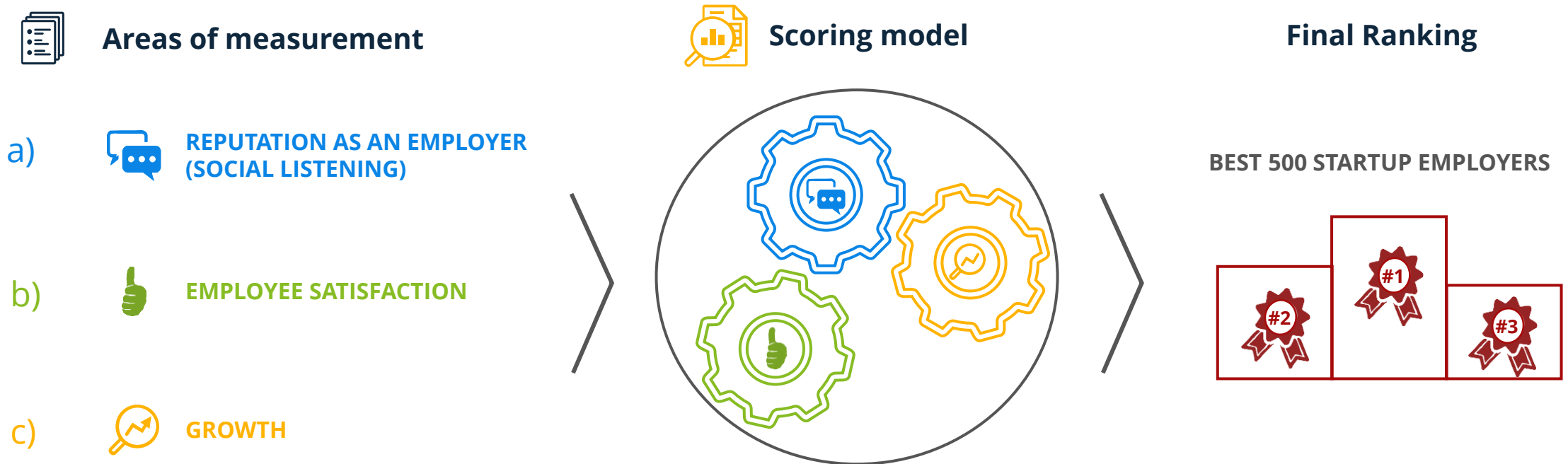2) Please see the following pages for detailed information
3) KPIs based on free accessible data and extensive desk research on company websites
4) The evaluation criteria were defined independently. The ranking is comprised exclusively of startups with the highest performance scores; a mention is therefore 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

Areas of measurement

Scoring model

Final Ranking

a) **REPUTATION AS AN EMPLOYER (SOCIAL LISTENING)**

b) **EMPLOYEE SATISFACTION**

c) **GROWTH**

BEST 500 STARTUP EMPLOYERS

#1
#2
#3

All areas of measurement combine the factors for analyzing startups as potential employers (good reputation, satisfied employees, growing business environment and relative stability). A variety of data sources was used to ensure that a wide range of companies could be examined.

Reputation as an employer
(Social listening)
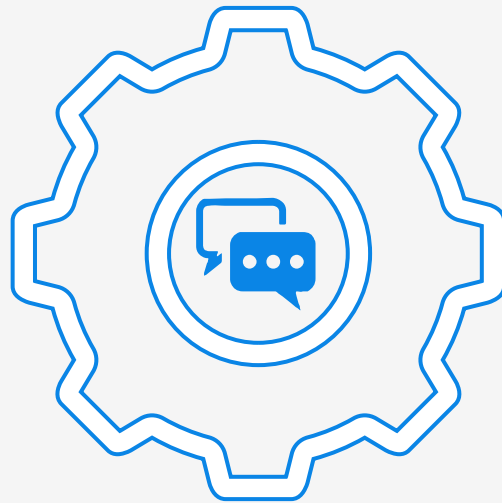
What is Social Listening?

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 2021.

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.
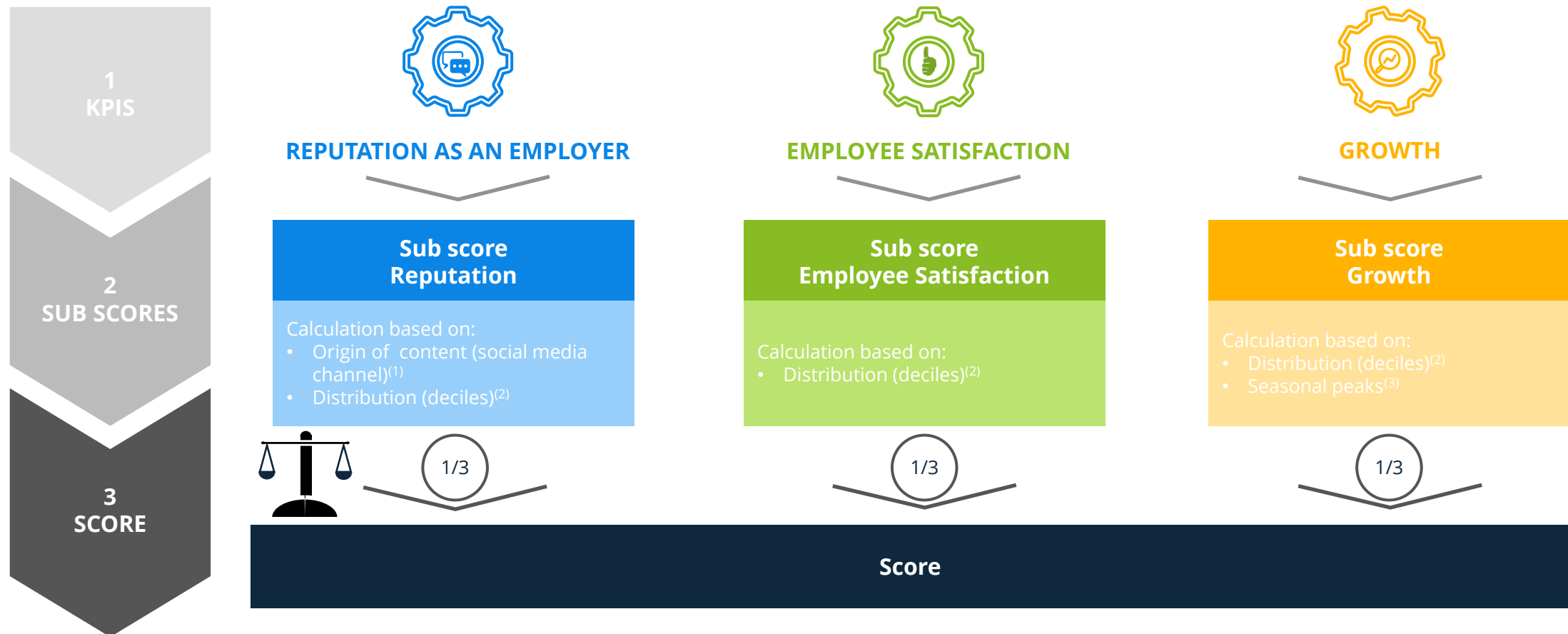
What was measured?

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
KPIS

2
SUB SCORES

3
SCORE

REPUTATION AS AN EMPLOYER

Sub score
Reputation

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

1/3

EMPLOYEE SATISFACTION

Sub score
Employee Satisfaction

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

1/3

GROWTH

Sub score
Growth

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

1/3

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 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