

Challenges of Scaling a Tech Company-

Scaling a tech company is never easy, and **right now** it's harder than ever.

It used to be that the world's top-tier tech talent all lived in and around Silicon Valley, but with home prices rising and commute times soaring, the world's best developers and engineers are scattering. It now takes a median of fifty days to fill a position in the heart of the world's tech capital - an achingly slow pace in an industry that is known for its disruptive speed.(1)

In order to scale at an appropriate pace, tech companies are now looking around the world and hiring remotely, with 45 percent of developers working from home at least part of the time prior to March 2020.⁽²⁾ Hiring remotely presents another set of challenges to tech companies, however:

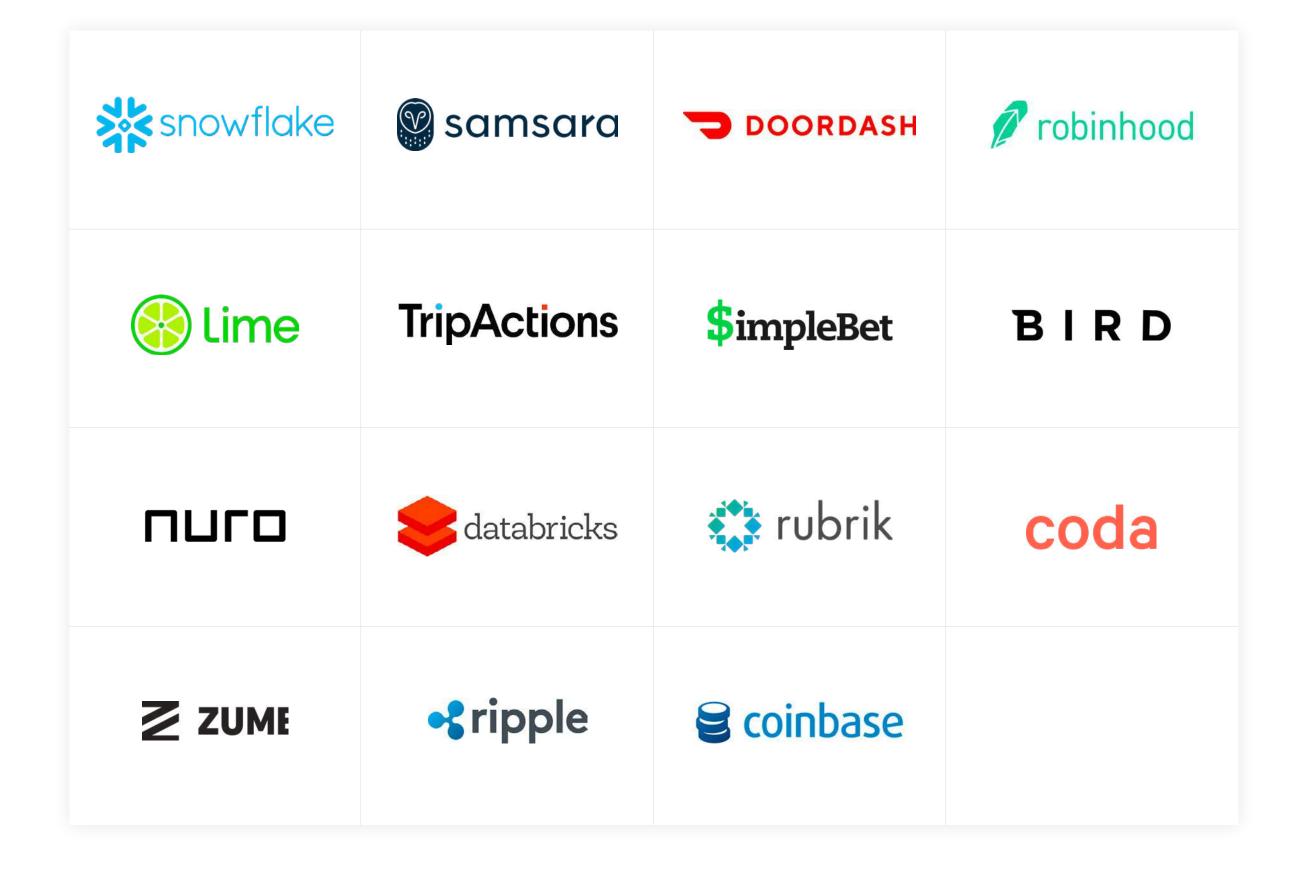
What's the best way to screen developers who might live thousands of miles from your office?

How do you attract employees when you can't offer the traditional benefit of a shiny campus?

How do you prevent churn when employees are at best loosely tied to your organization?

By way of answering at least some of these questions, Codility conducted research on the world's 15 fastest-scaling tech companies to figure out what they're doing right.

15 Fastest-Scaling Companies_



These are the companies listed in the Top Startups ranking by LinkedIn: the ones that scale massively, set the trends for the tech industry, and attract the best talent.

The companies that you see above are, as of this writing, the top 15 organizations in LinkedIn's "Top Tech Startups of 2019."(3) Research into these brands shows definite commonalities in terms of the way that they funnel candidates to their organization, the kind of candidates that they look for, and the way that they keep their employees engaged and happy.

Using this information, other companies may be able to replicate their success - creating even more robust and competitive organizations.



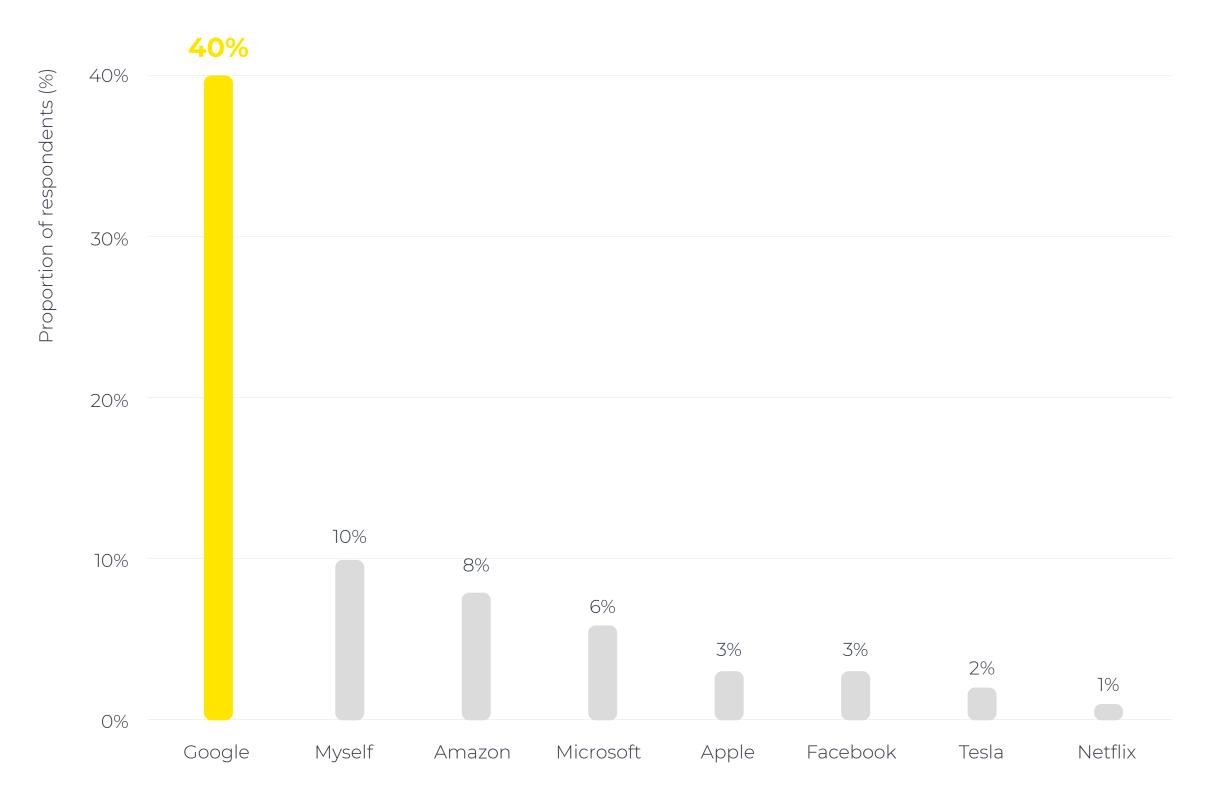


Codility_ Tech Hiring Lessons Introduction **Channeling Candidates** Finding the Ideal Candidate

Channeling Candidates into Your Company_

Most common "dream employers" mentioned by developers

If you could choose your dream employer, who would it be?



According to research from Codility, there are four companies that every developer wants to work for – Amazon, Facebook, Microsoft, and Apple.⁽⁴⁾

These companies are obviously massive and well-resourced, but so are companies like GM, Wal-Mart, and McDonalds. In other words, there's a reason why developers want to work at the first group of companies rather than the second. In part, this is because developers' dream employers have defined themselves by their unique brands, company culture, and innovation.

The startups we researched have all invested heavily in creating a consistent and carefully

thought-out image of themselves. They are self-defined as places that foster innovation, that are interesting to work for, and places that take good care of their workforce. What's more, they constantly promote their vision and identity through social media and other outreach channels.

Tools to Identify the Ideal Candidate



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LinkedIn Remains #1_

With over **675 million users** and **20 million open jobs**, LinkedIn is the most important tool when it comes to establishing a company's organizational ethos to the widest possible audience.⁽⁵⁾

Snowflake, for example, the company at the top of our startup list, has posted about how they're the #2 Best Place to work in Colorado, uses LinkedIn to feature their employee testimonials, and also mentions their extensive list of key values. Many scaling companies also

choose to report key growth metrics from past year — in fact, among the list of companies, four reported over 100% growth in their engineering department: Snowflake (+101%), Samara (+166%), Zume (+139%), Doordash (+94%), and Nuro (+119%).

LinkedIn followers

In thousands





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Twitter Lets Companies Engage in Real Time_

Twitter is the place where a company can **show that it has** a **personality**.

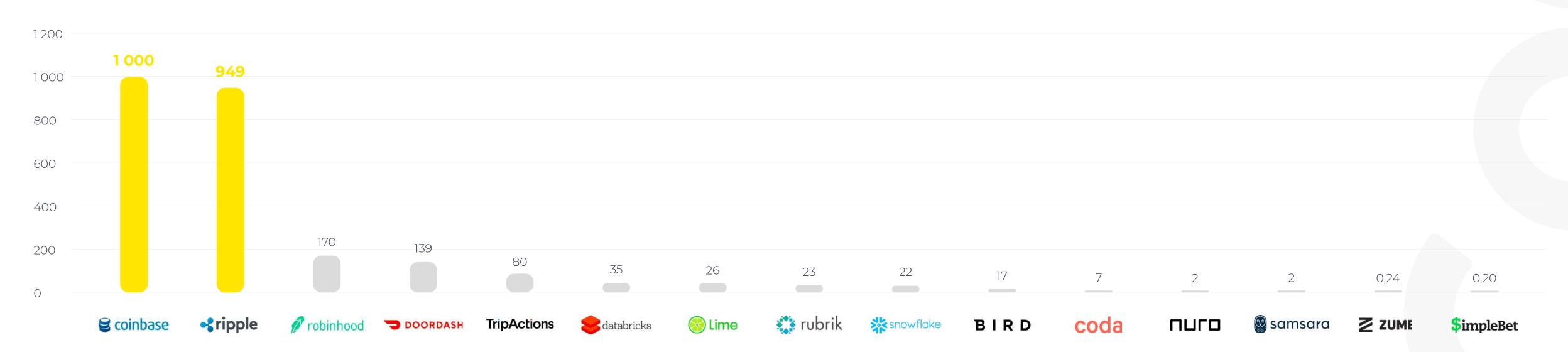
Using informal and conversational posts, companies can spotlight their thought leadership, share stories about their workforce, and provide best practices for applicants. Among our spotlighted companies, Coinbase uses their page for product updates and

relevant news whereas Robinhood shares customer experiences. In other words, Twitter helps to set the tone for candidates to learn about corporate culture.

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Twitter followers

In thousands



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Do you really need Instagram?_

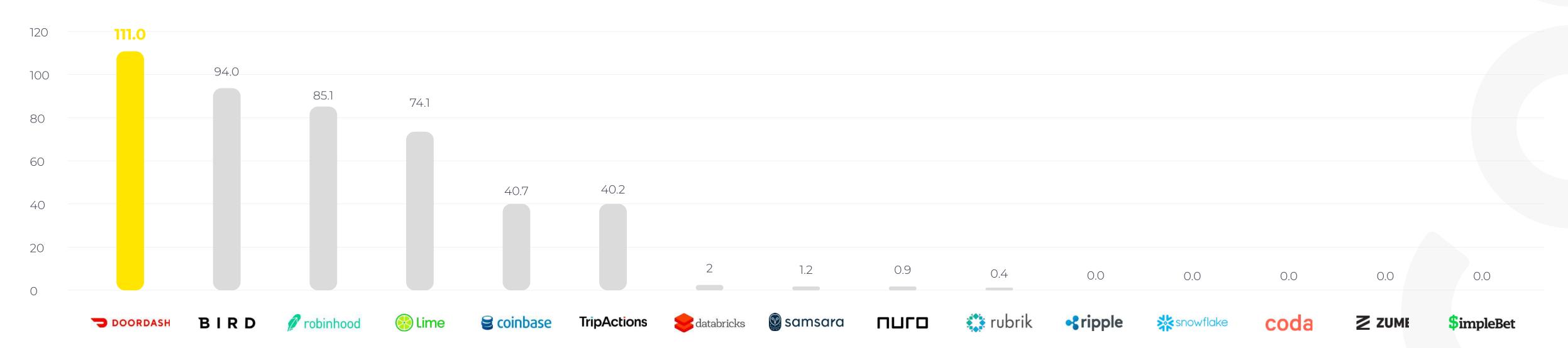
As a visual platform, Instagram can help you build more personal connection.

It depends. For brands that are looking to reach consumers, having a robust Instagram page that boasts picture after picture could be your secret to attracting talent. DoorDash is a great example of a company that's capitalizing on consumer's love for food. Take a quick glance

and you'll see pages of foodie images posted on a regular basis in an effort to court new talent that shares the same culinary passion. B2B companies might take a different approach via another social media channel.

Instagram followers

In thousands





Work on Your Blog_

Creating and maintaining a corporate blog is a great way to get attention of any kind, be it from customers or applicants.

Recruiters can take advantage of a space for long-form writing, uncluttered by ads or anyone else's thoughts, where they can set down information about what it means to work at a company. Our research noted

a post from Samsara as a great example of this kind of writing. (6) In short, blogs are a way to show candidates what life at a company is like without any of the inherent salesy-ness of the other major social media platforms.

Real examples of what the other companies are talking about on social:



Robinhood co-promoted a post from Medium about building an inclusive, values-driven culture. The company tends to keep their page heavily focused on employees.



Snowflake <u>shared</u> that they were ranked the second Best Place to Work in Colorado.



Samsara has a dedicated section about diversity that includes employee statistics, mentions their commitment to diversity, and names some of the clubs within the organization that help to keep diversity top of mind.



Zume features employee testimonials that highlight how it's "the perfect place for those who want to effect positive world change and work somewhere that fosters a growth mindset."



Doordash shares a range of updates, from thought leadership pieces around flexible work and salary, to news of being included in LinkedIn's Top Startups list. and upcoming <u>meetups</u> for engineers to attract potential employees.





Finding the Ideal Candidate_

15%

15 percent of job seekers now

find positions exclusively through social media⁽⁷⁾

The percentage is likely to be much higher among younger developers and software engineers. Finding candidates is not the same thing as finding good candidates, however.



Having an active social media presence is going to net a lot of interested candidates

When it comes to the philosophy of hiring job applicants, many of our sample companies decide to iterate on success. If their existing mix of people and talent has resulted in a growing and vibrant organization, the answer is to promote the existing workforce and hire new employees who match the picture of their existing talent. Says Melissa Yeh, Head of People and Places at Samsara:

"We often talk about re-hiring ourselves. Every quarter I do an exercise where I ask myself: what would I do if I accepted the job today? One of Samsara's superpowers is building for the long term, and so right now my team is focused on our culture of promoting from within and ensuring employees receive consistent feedback. We're establishing processes to train our current leaders to grow along with our company and building out our HR and Recruiting infrastructure to do that. (8)"

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Finding the Ideal Candidate_

At Samsara, graduate hires form a group and have lunch with the CEO or CTO. At Databricks, Chief People Officer Amy Reichanadter focuses on making sure that employees from diverse backgrounds feel encouraged and supported. Meanwhile, at Rubrik, all employees have a chance to attend board meetings and provide input

into the latest updates, fostering a culture of radical transparency in which everyone feels included.

Practically, however, employers aren't just looking for a set of values - they're looking for a set of skills. These may include:

"We emphasize respect, empathy, strong communication skills and data-driven results that prioritize what's best for everyone."

Laura Ventura

Global Head of Recruiting, 🚫 Lime





Python & SQL

- Sought by TripActions, SimpleBet, Bird
- SQL is a domain-specific programming language used to manage data in database management systems (i.e., Oracle's MySQL or Microsoft's SQL Server)
- Python is an open-source language useful in data analytics and AI applications — its popularity has soared due to the rise of data science and machine learning



Cloud computing

- Sought by Coda, Rubrik, Databricks
- Cloud architects have a strong understanding of multiple operating systems in addition to security skills
- Businesses look for individuals with a strong knowledge of cloud services such as AWS, as well as experience with ITSM, 1&O, governance, automation, and vendor management
- Skills and experience to look for:
 - Knowledge of cloud technologies and architectural principles
 - Experience with scaling cloud applications
 - Understanding of cost, performance, and architecture of cloud systems



In order to avoid employee churn and increase retention, companies

work to ensure that new employees feel included from the jump.

Analytics and data

- Snowflake is among the many fast-scaling tech companies that are joining more mature data companies like Netflix and Uber and their sentiment that "data is the new oil."
- Sought by Lime, Bird, Databricks. Head of Communications at DataBricks tells LinkedIn that having strong data points for why you're a good fit is a great way to stand out



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Tools to Identify the Ideal Candidate_

As stated before, screening candidates for tech skills is an interesting proposition when done remotely – it usually boils down to an assessment.

Of the 15 companies we looked at, nine use a third-party **technical screening platform** – a service that creates tests to gauge the ability of their applicants. The rest use coding tests designed in-house.



Using **in-house testing** can have some drawbacks. What we find is that because companies aren't expert at designing screening tests, they tend to use one test over and over. If the answers to the test get out into the open, unqualified applicants can sneak into the process. This has led to some companies requiring applicants to sign an NDA regarding test answers. This is a cumbersome solution, as many NDAs are so broadly issued that they become essentially unenforceable.⁽⁹⁾

Using a combination of interviews and technical assessments and legal documents can get very complicated, which is why most of the companies we looked at used an **Applicant**Tracking System (ATS). Nine out of fifteen

Defining a corporate identity is good, defining the ideal candidate is better, but companies need to **eventually bite the bullet and screen some candidates.**

companies used an ATS, with Greenhouse leading the pack at seven customers and Lever a distant second with two customers.

In spite of all these processes, the hiring process sometimes fails to leave a satisfied candidate. Scaling a company means that hiring managers are busy; sometimes this means that the process takes longer or that the interviews are postponed. Other times, the encumbrances of the hiring process mean that a candidate's interview and assessment process could take an entire day on site. It can be hard to distinguish a candidate's legitimate concerns from sour grapes at not being hired, but best practice should be to keep interviews – and the hiring process as a whole – to at least a moderate length.



Codility. Tech Hiring Lessons Tools to Identify the Ideal Candidate Tools to Identify the Ideal Candidate

Key Learnings_

The fast-scaling tech companies named in this report are all using at least some kind of HR technology.

For instance, all rely on a **third-party ATS** (Greenhouse in most of the cases). A majority are also using **technical skills assessment platforms** — and oftentimes, more than one is used (at the same time different candidates report different types of testing). The following tendency may be observed based on the Glassdoor reviews, that using such technologies improves the candidates' experience and results in the more positive reviews even if the offer wasn't received. The use

of skills assessments is not consistent even within a single company, however.

Some candidates received an online test while others went through several rounds of phone calls without really showing their practical skills. It is also noticeable how candidates complain about the hiring managers which are too busy with their own job that they don't have time to organize and carry out the interviews properly.



Key Learnings_

The following pattern was observed based on social media presence and Glassdoor reviews: The companies which are employee-centric on their social media tend to have higher rankings on Glassdoor, while companies that only focus on the product and customers tend to score lower.

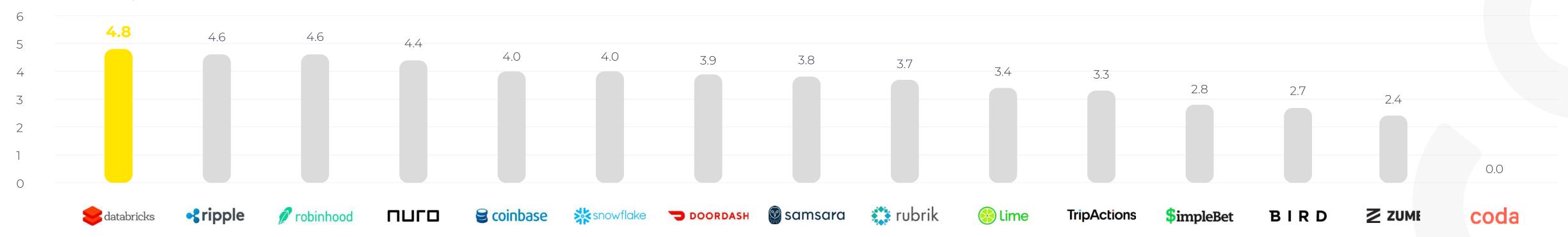
Most companies have clearly identified their values online, whether it's on LinkedIn or their website or both. The ones which include their corporate culture and HRM practices within those values tend to receive better feedback from the employees. **Diversity and inclusiveness** are also highly valued by applicants. The highest employee satisfaction rate may be observed within the companies that **emphasize the necessity of providing equal opportunities to everyone within their organization**.

In the final analysis, companies that follow the standard hiring manual tend to have **fewer positive reviews and a longer hiring process**. Having an effective, transparent and up-to-date tech hiring process certainly not only brings the best talent in the industry but also improves the candidate experience – which almost certainly improves employee retention over the long run.

If you want your company to rank as a dream job – up there with Amazon, Facebook, and Google – these fast-growing startups provide a blueprint. The ones that state their values clearly and often, provide a worker-centric ethos, and streamline their hiring process net the happiest and most engaged employees. Using your stellar new workforce, you'll be able to scale not just your hiring process, but your company itself – using the strength of your talent to catapult your organization into the upper echelons of industry.

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Resources_

- (1) Dice.com, <u>"San Francisco Faces Huge Time-to-Hire Tech Crunch"</u>, Oct 2019.
- (2) ZDNet, "Up to half of developers work remotely; here's who's hiring them", Jan 2020.
- (3) LinkedIn, <u>"LinkedIn Top Startups 2019: The 50 hottest U.S. companies to work for now"</u>, Sept 2019.
- (4) Codility, <u>"Engaging Developers at Work"</u>, 2018.
- (5) LinkedIn, "About LinkedIn", accessed April 2020.
- (6) Samsara, "Lessons While Growing a High Performance Sales Team", Dec 2019.
- (7) TechRepublic, <u>"15% of job seekers now land a job through social media"</u>, Jan 2019.
- (8) Samsara, "Samsara Named LinkedIn Top Startup for 2019", Sep 2019.
- (9) Boston University Law Review, "Enforceability TBD: From Status to Contract in Intellectual Property Law", June 2016.