

## How a tech recruiting platform boosts employee satisfaction, productivity and retention

with Moritz Drerup, Founder & Managing Director at 42matches.

**Maddie Duke** 00:01

Welcome back to *The State Of Work*, the podcast by Lano, where we hear from business leaders and innovators as well as freelancers and remote employees exploring topics to do with the benefits, limitations and solutions around remote and flexible work all around the globe. I'm your host, Maddie Duke. And joining me in this episode is Moritz Drerup, founder and managing partner at 42matches, a tech recruitment platform that matches global tech talent with European startups. Good recruiting can influence employee satisfaction, productivity and retention. The team at 42matches finds developers, tech experts and CTOs that perfectly fit the specific role requirements for your company. I chatted to Moritz about 42matches and how he sees the state and the future of recruitment. Hi, Moritz. It's great to have you on *The State of Work*. How are you today?

**Moritz Drerup** 00:58

Wonderful. Thanks for having me. Maddie.

**Maddie Duke** 01:00

Where are you joining from today?

**Moritz Drerup** 01:03

I'm joining from Berlin, yeah.

**Maddie Duke** 01:07

Yeah, me too. A lot of our guests are based in Berlin. So we'll kick things off today, I'd love to hear a little bit about you and 42matches. Maybe you could tell me a bit about yourself and how you came to founding 42matches?

**Moritz Drerup** 01:22

Certainly. So 42matches is now a little bit more than six years old. I don't have a headhunting or tech background, I have a typical commercial background - I worked for different corporate companies, then came to Berlin. And initially together with a co-founder, we saw the big need for good tech talent on the market in Berlin evolving, and also saw that service providers in these times didn't really suitable, like, fulfill the need. And well, then, yeah, there was a time

when we kick things off to, came up with 42matches their answer to any kind of tech recruitment question, basically. So 42matches is a boutique recruitment agency. We basically have two products. The product that we started with is typical tech recruitment. Meaning that we get any kind of software developers, DevOps, product people from basically all around the world. And get them over to join great tech companies here in, mostly Germany, and a couple of other European markets we have worked with. Yeah, so that's, that's the one number one product that we have. And since two years, we are also doing executive search for mostly tech people like VP engineering, CTOs, Chief of Data... like that yep.

**Maddie Duke** 03:06

Yep. Awesome. Thank you. So I would love to hear a little bit about some of the best practices when it comes to hiring remotely. You mentioned that your product serves, you know, workers that are from all over the world, maybe most of the business clients are based in Europe, but the workers themselves could be anywhere. How do you approach that when you're a company looking to hire someone, and you've got this huge pool, all over the world, This huge global pool basically of talent.

**Moritz Drerup** 03:38

For us it is, it is actually an asset to being able to recruit globally, because we are able to pull like out of these huge pools of people. What do we do? I'm not sure if we do anything differently. However, what we do, we work with 120% ownership and up to the highest level of like standards of quality in what we do. And therefore I think we just try to understand our client in a really proper matter, we get a really good understanding of our candidates. And at the very end, we make sure that both really match for the long term. And how do we do that? I think by forming meaningful connections, we always have a very strong relationship with our candidates, which often lasts for several years. We not only help them with getting the job that really matches their requirements, but also we manage the entire relocation process. We like to help them getting on board getting their foot on the ground here in Berlin, mostly, if you can imagine, like you would relocate tomorrow with, let's say, a family of three children from Pakistan, you might have one or two questions popping up. So we see ourselves at the first contact point, a single point of contact for the candidates with any kind of questions to have, so not only visa related stuff, which is something that we also include in our service, but also logistical things up to career coaching, where we really helped them through the probation period, and even afterwards, stay in contact.

**Maddie Duke** 05:42

Great.

**Moritz Drerup** 05:43

There's different ways to get onto our radar. So candidates sometimes applied themselves, which is, of course, highly interesting for us. So we are totally open for that. On the other hand, we have different ways to get talent. So of course, we do direct search. But then also, especially pre-COVID, we did a lot of pull mechanisms, where we were hosting events in target countries for us. So for instance, in Ukraine, we were regularly hosting events. We were planning, actually

pre-COVID, we are about to start some events in the Asian markets, especially in India, which is now still on hold, unfortunately. But there are different ways. What is most important, that's also another channel is to network. So personal recommendations from people that they relocated from people that we worked with. That is something that always works really good.

**Maddie Duke** 06:48

Yep. So you talked a bit about the fact that you help people relocate? Do you ever have clients that are willing to hire people who want to stay in their home country and have a remote work situation?

**Moritz Drerup** 07:02

Absolutely. Um, so pre-COVID, that was happening, maybe in roughly maybe 20%, or something of all cases. So we're staying there and, and work like on a remote basis, mostly on a freelance basis. What is really changing since COVID, is that a lot of people are now hired on a distributed basis, especially young startups these days, build a lot on that. Some of them don't even have an office or work in coworking spaces. So they employed their distributed teams in their home markets, and then maybe fly them in once a quarter on all hands. And that is something we see increasing a lot these days.

**Maddie Duke** 07:54

Yeah, that's, I guess, not too surprising. Given the stats we're seeing about the increases in remote work and distributed teams. Do you see any major differences in the hiring process when you are, like, when a company is considering someone who's staying in their home country versus someone who is willing to relocate?

**Moritz Drerup** 08:17

Um, yes, for sure. Although, before the crisis, there were a lot of clients that were not flying people in for the recruitment process and hiring remotely. I think that's also the beauty of our startup world that there are a lot of innovative companies. However, in distributed teams, of course, you are mostly interviewed fully remotely. What are the differences? The first thing is that you cannot really build a connection as good as in a personal environment. So people are not able to, you know, see the office or not able to, to have coffee together with the hiring manager. And so that means you have to over invest into these connection building.

**Maddie Duke** 09:11

Mmhmm yep

**Moritz Drerup** 09:12

That means that you have to overcommunicate with a candidate, especially in our in the tech recruitment process, when you as a hiring manager demand too early, too much from the candidate. Let's say you have a short intro via email and then you ask can you please do a tech challenge which costs like net I don't know three days four days.

**Maddie Duke** 09:34

Yeah

**Moritz Drerup** 09:35

I can assure you the drop of rate will be enormous. That is because the client that the candidate still doesn't know you, doesn't know your company.

**Maddie Duke** 09:46

Yeah.

**Moritz Drerup** 09:47

And so not having this connection not having this this relationship is something to definitely invest in as much as possible, over communication in forming the candidate about every step not only the first one, but also along the line when you have a delay with with a contract, when you have a delay, in getting feedback, always communicate every step. Second one, have the team involved, as soon as possible, have, take some time for chit chats throughout the process. Ask the founders to, to come into the process rather early. And that all will help you do more that to build to build rapport with the candidate. Another thing, of course, is that throughout the process, you have less amount of data sitting in front of the camera, of course, you have less there, that means that of course, you need to use the data points that you have even more. So somebody is showing up late. Somebody making stupid comments, I don't know. And really being aware of all the data that you have, and especially in tech recruitment, where you are able to, you know, to assess him on our on a tech coding challenge, for instance. Really being able to, to make the proper assessment and do anything for that, of course.

**Maddie Duke** 11:20

Yeah, some great points there. From the candidate side, then do you think that that means that they have to make sure that they are on time and make sure that when they approach or call, you know, they've got a clear background or whatever, you know, do their best to kind of make sure that the, as you say data points that they're presenting in these remote recruitment processes are as optimized as they can be? Do you have any other kind of advice or recommendations for candidates and job seekers, when they are going through that process?

**Moritz Drerup** 11:52

I mean, like in the pandemic, we all read the different blog posts, do's and don'ts for video chats for Zoom conferences. And of course, these small things are fully valid there. To have eye contact with the camera, to choose a professional background, to have proper internet connection, to choose proper clothing, whatever. But then again, also it's over communication. So making really a difference in communicating with your hiring manager, in writing thank you emails and trying to, you know, build a connection again.

**Maddie Duke** 12:37

Yeah. So when a client is hiring, looking at hiring someone in a different country, let's say they're going to hire remotely in a different country. What do you think the most important things are to

consider maybe in terms of, you know, when it comes to actually onboarding someone and working with that person?

**Moritz Drerup** 12:58

Well, I think it's a, it's the big questions that we have to ask ourselves, not only in remote hiring, but in the current state of work. How do you manage your team?

**Maddie Duke** 13:07

Yeah.

**Moritz Drerup** 13:08

How do you plan to have management systems? What's your current understanding and mindset of your employees? What does that mean? Um, again, connections and rapport. We talked about that a lot. Next to that, I think, the general mindset of your company, like not needing, like a culture of control, but the culture of trust, is, I think, the most important thing. And from that, you can easily pinpoint your management system in a way like, do I really want to manage by the hour or by the result? What is the underlying purpose of my company? And how does my employee fit in there? When you manage to create such a culture, I am sure that also the first remote hire will work. Of course, the first one is always the toughest, let it be a relocation case, or let it be a distributed team. For the relocation case, you have to go through everything once and then you're good to go. But the first one is tough, like, you know, to get the visa to manage the visa delays, to have any kind of escalation ways, starting from the registration in the office, in the governmental offers over the entire registration and the banks and all these kinds of things. Once you have done it for the first time, then everything becomes smoother, but you really have to be open. And the entire team has to be open for that. And, of course, also be aware that it's, it's not a walk in the park in the beginning. And the same goes also for distributed teams. I mean, there are loads of discussions, what is a good hybrid working model? What I learned is that as long as one person is not on the on the on the Zoom call, then it is going to be hard, it's going to be hard, of course. So meaning that you need to define the baseline. When you have like one person as not one person, not in some cupboard, not one person in the office, but then the discussion must be on the computer, because otherwise, you're just missing out of all the discussions that you have, like in the conference room. And that's the same with having people that are working remotely, you need to be aware of that, you need to be aware that you have to change your processes, you have to change your way of working. And everybody has to be bought in in order to not lose this person any longer.

**Maddie Duke** 16:25

Build and grow your global team with Lano. Companies that want to hire talent in a country where they don't have a business presence or legal entity can use Lano's all in one platform to compliantly hire remote, full time employees or freelance talent in over 150 countries find out more at [lano.io](https://lano.io).

When it comes to what candidates are looking for, I know earlier you mentioned, you know trust operating on a basis of trust is a big thing. Just now talking a little bit about this sort of hybrid

and how we adapt to when there's even just one person who's either not in the office or not on the call. Does that tie into what candidates are expecting from employers so that at the moment, would a candidate automatically expect you know, I want to be working for a company where trust forms the basis of operations and what's expected of me. You know, and where there is an emphasis on culture and kind of making sure that everyone's included in that, where they need to be included. What else are candidates kind of demanding from an employer at the moment and is that changing? And if so, how is it changing?

**Moritz Drerup** 17:47

I think it's not a question whether you hire somebody remotely aware whether you hire somebody on site, but it's a question of the type of person that you're looking for. And then again, like you can have a corporate environment in a corporate environment, people demand from you that everything is set in stone, people demand their clear workspace to clear responsibilities and that they know what is expected from them. When you're more into the startup world, I think that people that are interested in that are generally more interested in in dynamic more open structures, they are willing to to also forego a little bit of these kind of very rigid requirements and from that, I think both a pandemic and then of course, also hiring remotely accelerators effect meaning that a guy or a lady that has worked their entire life in the corporate world they are used to that and they are also fine with management systems like like that, in a startup world. Generally trust and also like being open to changes in there on the macroeconomic level are more important.

**Maddie Duke** 19:26

Yeah. Okay. Now, I know that at 42 matches you focus a lot on not just finding the right match for you know, between a candidate and an employer but also keeping in mind longevity and you know, the length of that relationship. I guess I wanted to ask if you are familiar with any figures about how much turnover costs employees like when we have a lot of employees come in and they're hired and they're on boarded, and they work there for six or 12 months or so and then they move on to another project. It's a very costly thing for an employer to have to deal with. So I think it's wonderful that you're trying to kind of minimize that. Do you have any idea of the costs of that?

**Moritz Drerup** 20:19

I do not have a very concrete figure in mind. What I know and that's something that I know from my own experience, is that, like, the probation period, the first six months, you will need that in order to just get up to speed. And let's say after the first year, somehow, somebody can really get on at the level of speed where he or she really delivers. Like, 100%. That's, that's like from a rough perspective.

**Maddie Duke** 20:56

Yeah. Okay, how do you approach finding a match that you believe will last?

**Moritz Drerup** 21:02

So in our world, there are, of course, always two different signs that we need to assess. The first thing is the hard side, which is just the tech assessment. And that is that we have a clear standard process, we get coding examples, and just make sure that somebody really matches the requirements that a hiring manager has. For the soft side, things are definitely different. Um, so we do use, normally, around two to three situational based interviews, and then we have a very clear assessment scheme, in order to get a feeling for the candidate. And we do this, like, in a way that we match them with the requirements that our our client gave us, of course, and from there, we have certain kinds of, of, let's say, measures that we do in a way that we never like apply a candidate when we are unsure about this longevity thing. So, we always try to protect our client in order to, to not have him make a misshire, which also means that it happens rarely, regularly, that even if the client is happy with the first edge call, then we see that the candidate is somehow misbehaving in a way, and we are unsure about the long term fit, then we might even pull their the candidate back.

**Maddie Duke** 22:44

Right. Interesting. Okay. And what do you think the future of recruiting is? Do you think that this kind of matchmaking is is the way forward?

**Moritz Drerup** 22:54

I think there are two different two different schools. So the first thing is for commodity roles, I think automation will increase. So, when you have standard roles, where you can easily compare people for more complex positions, and especially positions in which you have like more interaction among teams, where your role is somehow value adding to the, to the entire functioning of the product of the company, which is more and more the case for tech world, of course, then you need a far more personalized process means a far more personalized recruitment process with very thorough matchmaking. Like with a service provider, as we are, then you can make sure to have a proper match, which also last for a long time. Next to that, of course, through the pandemic, mobility will change. I personally think that we are becoming less mobile, but people will choose their spots to work and live like also more solidly, which means in Germany that people will mostly work, maybe in the countryside as well. And that also will help us like distributed teams will also help to manage this. And yeah, yeah, that's, that's what I foresee. And we are more than excited to be part of this change here.

**Maddie Duke** 24:47

Awesome. That's fantastic. Yeah, I think that's a really great overview. And before we yeah, before we wrap up, what are the benefits of working with an agency such as 42matches?

**Moritz Drerup** 25:00

Right, so the first thing, of course, is that we have processes and knowledge in place to get you the best people possible in a very short amount of time. So we have the sourcing power, we have the database, we have two people that we have built in the last six years. Then talking recruiting on a global basis, of course, we have the knowledge and experience to get the people over, to get the visas as soon as possible. And like for distributed teams like working with

people, like Lano, for instance. The magic, though, happens afterwards. The magic is when we are really making sure that we find the best people that really fit your team that really can help your company to grow for the long term. And that's not only like to fill this position quickly, but to really fill it for good to really yeah, increase their employee satisfaction with having a proper functioning team. Having better retention rates for your team and ultimately also having great fun and productivity.

**Maddie Duke 26:28**

Yeah, I think it's great that you mentioned the employee satisfaction side as well, because of course, this is also about finding the right match for the employee, and making sure they're happy and wanting to stay with that company. So if it's a good match from the start, then it's a great match for everyone.

**Moritz Drerup 26:54**

Agree.

**Maddie Duke 26:55**

Awesome. Are you aware of any major differences between hiring within the tech world versus other areas of expertise? Like what sort of soft skills do you think are most important in the tech world? Or or, you know, if we could leave a tip for candidates that might be listening or job seekers that might be listening - who are in that tech world? What kinds of skills do you think that they need to build? Build on, especially when we're working in this kind of distributed world?

**Moritz Drerup 27:17**

Let me answer this question with a nice picture maybe. So if you can imagine the Titanic, like the big ship - I come from northern Germany, and I always love these kind of examples with boating. So imagine that, imagine that the Titanic and then you have the captain on the bridge, and maybe he still has his chief heater (*Heizer*) next to him, he's planning his route and he sees okay, like first 50 nautical miles, we go straight this course and then we make right and then we need full power that we can maybe have can can go half half power and the winds are helping us they're on there, I'm the chief heater (*Heizer*), he might then translate this route into the power of his team. So he sees okay, there, we need 100% There, my team can relax and he can basically execute the plan from there from the chief heater (*Heizer*), then there, the other heaters are just in the basement, and they follow the orders. That's the old world, that's the old world, how I understand it in the New World, you have to a chief heater (*Heizer*) and on the one hand side, their chief heater (*Heizer*) is discussing the route together with the captain in order to have the most most efficient way of steering the ship to Richard's destination plus, at least the heaters that are delivering the route are also being part of it. And they are understanding at least the basics of navigating the ship and can like themselves. Like manage their efficiency and their power together. So what does that mean? Further developer and world these days. Soft skills are key. Soft skills are key in the way that people that are able to communicate are able to understand the underlying goals of a company or a project. Even better is in achieving the goal and reaching the end destination without crashing in the ice.

**Maddie Duke** 29:53

Great metaphor. Yeah, okay, that's great. Yeah, definitely. I think some of the soft skills that people bring to their jobs are becoming more and more becoming more important, like the way that we relate to people, the way that we communicate and empathize with each other. It's becoming more and more recognized, I think, as important, even beyond the tech world. So, yeah, yeah. Great. Awesome. Thanks so much for joining us and for sharing your thoughts. It's been wonderful having you and I wish you a good week.

**Moritz Drerup** 30:33

I thank you. It's been fun.

**Maddie Duke** 30:38

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