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COMPANY VALUE AND EMPLOYEE SATISFACTION: EXEMPLARY CASE STUDY FINDINGS

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Abstract

Numerous studies and authors support the idea that there is a link between employee satisfaction and customer satisfaction, leadership, productivity, and financial results. The main hypothesis of the underlying research paper is that the increase of company value can be influenced by employee satisfaction. Thus, the current research aims to investigate these interactions by comparing the results of about 11 companies in the contest “Great Place to Work” and the growth of their company value between the years 2006 and 2009.

I. “Great Place to work” – The Great Place to Work® Institute

The Great Place to Work® Institute, Inc. is a research and management consultancy based in the U.S. with International Affiliate offices throughout the world. At the Great Place to Work® Institute, they have been listening to employees and evaluating employers since 1980, to understand what makes a workplace great. They know that the foundation of every great workplace is trust between employees and management. Their ongoing research, measurement tools, and educational services have made them leaders in helping build high-trust workplaces.

In the USA a study which also uses the results of the Great Place to Work Institute and financial data is already done.

Ingrid Smithey Fulmer from the Edi Broad Graduate School of Management Michigan State University, Barry Gerhart from the School of Business University of Wisconsin-Madison and Kimberly S. Scott from the Wm. Wrigley Jr. Company did a very interesting study named “Are the 100 best better? An empirical investigation of the relationship between being a “Great Place to Work” and firm performance”.

In their study they found evidence that there is a strong correlation between these factors. [2]

This study tries to test the hypotheses: “There is a correlation between employee satisfaction and company value” in an exemplary study of 11 randomly selected companies from Germany.

The companies were selected from the "Great Place to Work Institute" by chance. The following chart shows the number of participating companies and how many of them were awarded in the years 2006 to 2009:

Year	Participants	Awarded
2006	165	50
2007	198	50
2008	252	100
2009	257	100

The "Great Place to Work Institute" tried to find companies which were awarded in the years 2006 to 2009 and which also had published financial data in the "Elektronischen Bundesanzeiger". The result was that only eleven companies met both criteria. For this selection, the company size or other characteristics were not considered.

II. Computing Company and Equity Value

There are several possibilities for computing company value. [3] For most of these several models a lot of financial data out of balance sheets and Profit and Loss accounts are necessary. Most of these data are not available in the "Elektronischen Bundesanzeiger". Therefore, this study will use the **EBIT-Multiple Model. [1]**

The EBIT-Multiple Model is a simple model used very often in M&A Transactions for computing a rough but also reliable company value.

The basic principle itself is simple – based on sustainable EBIT (earnings before interests and taxes) a Company value is computed by multiplying EBIT with an Industry typical multiplier.

Sample calculation:

	Amount per thousand €
Earnings before taxes	**3.000**
- interest income	-0.050
+ interest expense	0.550
= EBIT	**3.500**
x industry typical multiplier	0.006
= company value	**21.000**
- bank debts	-2.500
- additional interest bearing debts (e.g. mezzanine)	-5.000
+ cash resources (fixed deposits, cash, etc.)	0.500
(subtotal net financial indebtedness)	(7.000)
= purchase price / equity value	**14.000**

Figure 1. Sample calculation

Additionally at a price indication the so-called net financial debts are reducing the purchase price and the stock of cash or cash equivalents will be higher than the purchase price. This is to take account of the individual financial structure of the company at the transaction date, i.e. for example, that the higher liquidity from retained earnings enhance the purchase price.

The multipliers themselves are usually derived empirically from transactions made by major investment banks and consulting firms or the business press as well. Listed companies also offer through their disclosure requirements the possibilities to derive on the basis of published budgets and the stock market values the corresponding multiplier.

The multipliers vary widely from industry to industry and thus reflect the general expectations of the future for that industry again. Therefore they reflect to medium-term fluctuations. How far a particular company's EBIT multiplier applies at the top or bottom of the range depends on multiple and sometimes subjective factors.

Representatives mentioned:

- **Market:** competitive position, market coverage, strategic positioning, general firm size, etc.
- **Product and range of power:** product range and depth, R & D, Technology, New Products, USP, flexibility, dependence on suppliers, etc.
- **Customer structure**: regional distribution, industry mix, ABC-profile, economic performance of key accounts, etc.
- **Management / Organization**: sustainability of the management or the workforce, personnel, loyalty / employee turnover, flexibility, particularly in post-merger issues, etc.
- **(Economic) Risk Profile:** investment requirements, risk of default / processes, capital requirements, tax position, ownership structure, anticipated changes in legislation, environmental risks, customer structure (regional, industries), management and shareholder structure.

It is easy to see that it is the positioning of the entity within the spectrum of industry-EBIT multiples which allows room for interpretation and therefore also makes very good use as a negotiating tool as well. The business valuation via EBIT multiples generally offers the advantage that, contrary to other policies, the "reality factor" prevails. Not infrequently, the EBIT multiplier is an essential subject of the purchase price formula in the transaction agreements (HJK Management Consultancy *www.hjk-mc.de*).

Below the growth of the different equity values will be computed:

All the figures and numbers of the companies are out of the "Elektronischen Bundesanzeiger". I received the data directly from the "Great Place to Work Institute" in an unattributed form. Because of confidentiality GPTW eliminated the names of the companies. Also an issue may be that only 7 of the investigated companies showed their complete financial data in the "Elektronischen Bundesanzeiger". Only large incorporated companies with more than 50 Mio € turnover are obliged to show their complete financial data, smaller companies have lower or no standards for disclosure. The companies which show not all necessary data should be regarded separately.

Company 1

For this company all data from the year 2005 till 2008 are available. Company 1 rose its equity value from 2005 to 2008 from 6.460 T€ to 15.507 T€ which means a growth rate of nearly 140%. Only in the year 2007 they had a small downturn which was completely compensated in the year 2008. This company is a very strong company with no bank debts and nearly 3 Mio € cash. In the figure below you can see the curve of the equity value.

C1: EBIT-Multiplier (in TEUR)

	2005	2006	2007	2008
EBIT	0.834	1.436	1.311	2.140
x Multipler	5.9	5.9	5.9	5.9
= company value	4.921	8.475	7.737	12.626
- bank debts	0.003	-	-	-
- additional interest bearing debts (e.g. mezzanine)	0.002	0.001	0	0.002
+ cash resources (fixed deposiatd, cash, etc.)	1.555	2.617	2.599	2.883
= purchase price / equity value	**6.460**	**11.091**	**10.336**	**15.507**

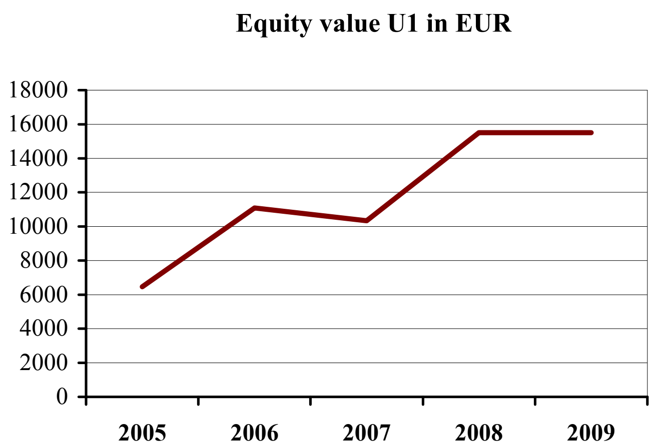

Figure 2. Computing equity value C1

Company 2

For company 2 there are no Profit and Loss account data in the "Elektronischen Bundesanzeiger" available. This may be caused by lower standards for publication for this company.

Company 3

Also for this company very spare data is available; they publicized only the P&L data for the year 2007. These data look quite well. With an EBIT of 615 T€ nearly no bank debts and 1.651 T€ cash the company is quite stable. In the year 2007 the equity value can be computed to 5.680 T€.

C3: EBIT-Multiplier (in TEUR)

	2005	2006	2007	2008
EBIT	k.A.	-0.939	0.615	-1.031
x Multipler			6.6	
= company value			4.058	
- bank debts			-	
- additional interest bearing debts (e.g. mezzanine)			0.030	
+ cash resources (fixed depositd, cash, etc.)			1.651	
= purchase price / equity value			**5.680**	

Figure 3. Computing equity value C3

Company 4

Company 4 has publicized the data for the years 2006 till 2008. The data show an EBIT roundabout of 1.000,00 T€, the cash position decreased from 1.350 T€ to 615 T€ in 2008, though the equity value decreased from 7.395 T€ to 7.080 T€. This company has no bank debts, a solid cash position and a quite high EBIT.

C4: EBIT-Multiplier (in TEUR)

	2005	2006	2007	2008
EBIT	k.A.	1.024	1.119	1.091
x Multipler		5.9	5.9	5.9
= company value		6.042	6.604	6.438
- bank debts		-	-	-
- additional interest bearing debts (e.g. mezzanine)		3	0	0
+ cash resources (fixed depositd, cash, etc.)		1.350	0.446	0.642
= purchase price / equity value		**7.395**	**7.051**	**7.080**

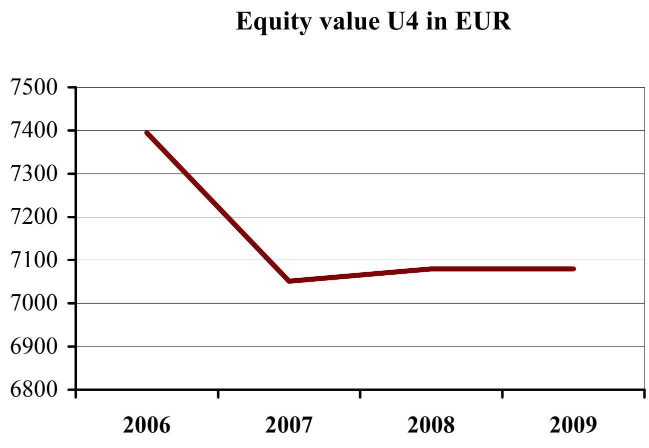

Figure 4. Computing equity value C4

Company 5

This company grew very well during the regarded period. The EBIT increased from 624 T€ to 1.091 T€ and therefore the company value emerged from 4.390 T€ to 6.438 T€. Only in the year 2007 a strong EBIT decline from 943 T€ to 362 T€ had to be managed. This also may be the cause for the lowering of the cash-position from 906 T€ to 3 T€ in 2008. In the figure below you can see the zigzag course of the equity value.

C5: EBIT-Multiplier (in TEUR)

	2005	**2006**	**2007**	**2008**
EBIT	0.624	0.943	0.362	1.091
x Multipler	5.9	5.9	5.9	5.9
= company value	3.680	5.564	2.136	6.436
- bank debts	-	0.002	-	-
- additional interest bearing debts (e.g. mezzanine)	0.002	-	-	0
+ cash resources (fixed depositd, cash, etc.)	0.712	0.611	0.906	0.003
= purchase price / equity value	**4.390**	**6.173**	**3.041**	**6.438**

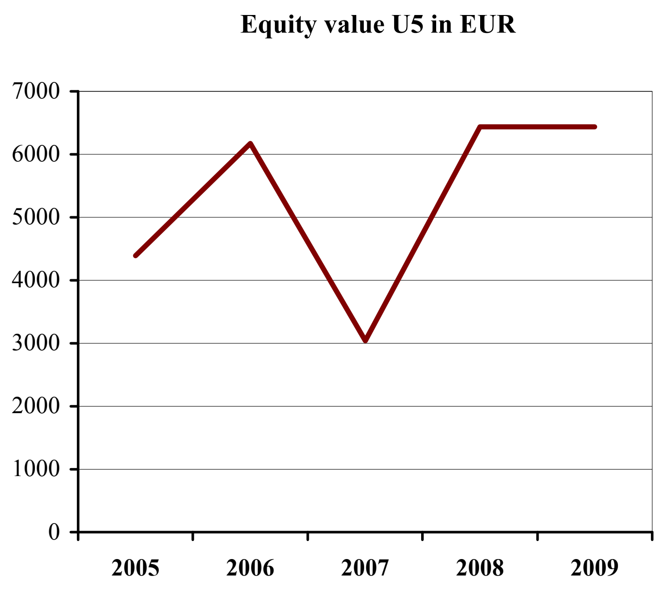

Figure 5. Computing equity value C5

Company 6

For this company the complete data are available, too. The highest EBIT and therefore also company value was in 2005. The EBIT went down from 2005 from 2.594 T€ till 2007 to 1.324 T€ and then rose again in 2008 up to 2.178 T€. In the figure below it is shown this company had a quite stable equity value over the regarded period. Only in 2007 was a weak decrease down to 15.494 T€ in equity value. But in 2008 equity value grew up again to 17.036 T€. Over the regarded time this company also is quite strong with a high cash position and very low debt.

C6: EBIT-Multiplier (in TEUR)

	2005	2006	2007	2008
EBIT	2.594	2.422	1.324	2.178
x Multipler	5.9	5.9	5.9	5.9
= company value	15.302	14.288	7.810	12.851
- bank debts	-	-	-	-
- additional interest bearing debts (e.g. mezzanine)	0.220	0.220	0.305	0.211
+ cash resources (fixed depositd, cash, etc.)	4.178	4.547	7.988	4.396
= purchase price / equity value	**19.260**	**18.615**	**15.494**	**17.036**

Equity value U6 in EUR

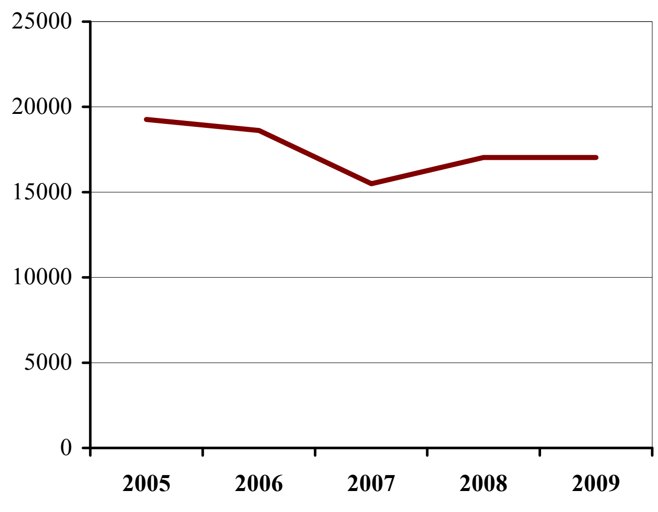

Figure 6. Computing equity value C6

Company 7

Company 7 is the company I worked for during this period as a CEO. In this time EBIT rose from 14.470 T€ in 2005 up to 15.611 T€ in 2008. During this period the company was characterized by a continuous growth each year. Parallel to this raise the company paid back a shareholder credit of about 14.000 T€. This strong self -financed company with a solid cash position enhanced its equity value from 84.870 T€ to 103.824 T€ from 2005 till 2008.

C7: EBIT-Multiplier (in TEUR)

	2003	2004	2005	2006	2007	2008
EBIT	11.437	14.823	14.470	14.801	15.439	15.611
x Multipler	6.6	6.6	6.6	6.6	6.6	6.6
= company value	75.484	97.832	95.502	97.687	101.897	103.033
- bank debts	0.302	0.259	18.000	13.077	9.935	4.427
- additional interest bearing debts (e.g. mezzanine)	0.006	0.006	0.369	0.397	0.415	0.251
+ cash resources (fixed depositd, cash, etc.)	9.691	3.460	7.737	5.660	6.357	5.469
= purchase price / equity value	**84.867**	**101.027**	**84.870**	**89.873**	**97.904**	**103.824**

Equity value – DCF-method in TEUR

	2003	2004	2005	2006	2007	2008
Equity value	**85.867**	**66.649**	**98.070**	**87.058**	**85.780**	**91.352**

Equity value – by comparison EBIT-Multiplier and DCF (in TEUR)

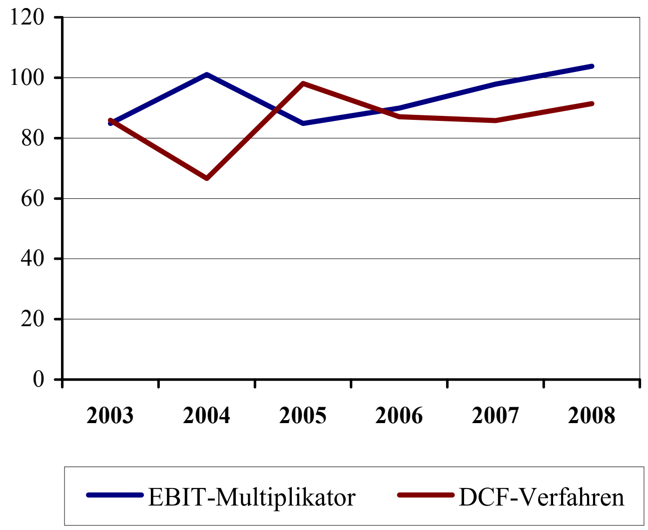

Figure 7. Computing equity value C7

Company 8

This company showed a very interesting progress during the regarded period. In 2005 it started with an EBIT of 7.719 T€ and nearly doubled this up to 14.242 T€ till 2008. In 2007 the company suffered from a strong decrease from 7.926 T€ in 2006 down to 5.128 T€. The company has quite high bank debts and a short cash-position. Nevertheless the equity value exploded from 24.315 T€ up to 71.204 T€ in this period.

C8: EBIT-Multiplier (in TEUR)

	2005	2006	2007	2008
EBIT	7.719	7.926	5.128	14.242
x Multipler	6.6	6.6	6.6	6.6
= company value	50.945	52.314	33.844	94.000
- bank debts	20.128	17.925	20.234	17.925
- additional interest bearing debts (e.g. mezzanine)	1.100	1.104	1.018	1.092
+ cash resources (fixed depositd, cash, etc.)	0.001	5.342	0.190	6.190
= purchase price / equity value	**29.718**	**38.627**	**12.782**	**81.173**

Equity value U8 in EUR

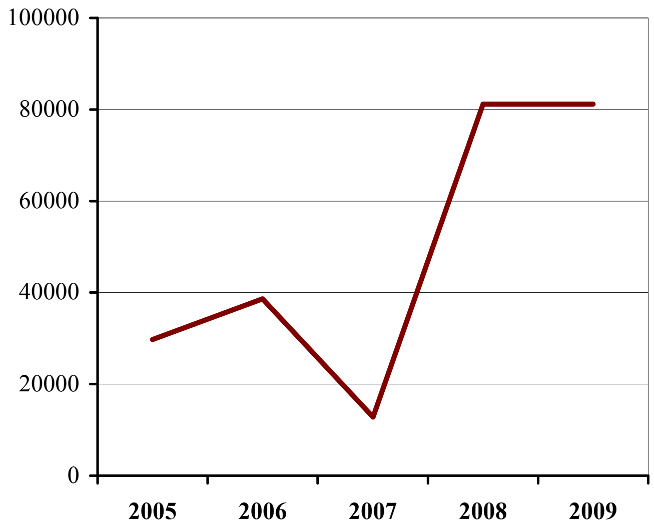

Figure 8. Computing equity value C8

Company 9

Company 9 showed a constant continuous approach. EBIT grew from 2.680 T€ to 3.944 T€ and the equity value from 18.728 T€ in 2005 up to 25.262 T€ in 2008. Company 9 has a strong cash-position and nearly no debts.

C8: EBIT-Multiplier (in TEUR)

	2005	2006	2007	2008
EBIT	2.680	3.374	3.561	3.944
x Multipler	5.9	5.9	6.6	6.6
= company value	15.812	19.904	23.503	26.031
- bank debts	-	-	-	-
- additional interest bearing debts (e.g. mezzanine)	0.015	0.033	0	0.016
+ cash resources (fixed depositd, cash, etc.)	2.931	2.978	2.309	2.007
= purchase price / equity value	**18.728**	**22.848**	**25.812**	**28.023**

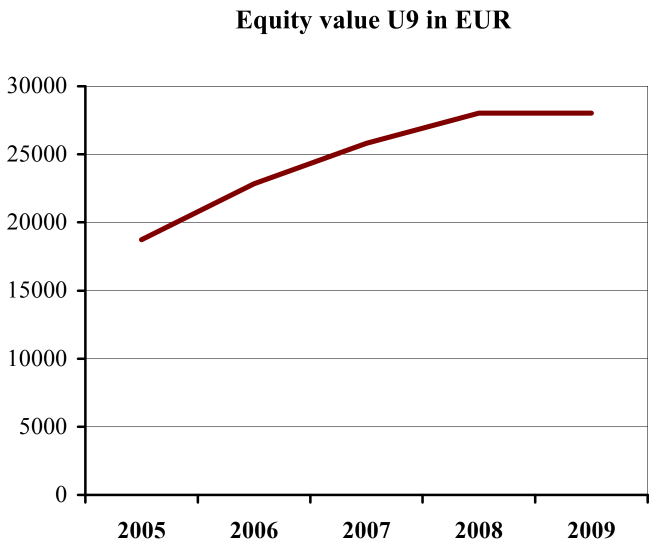

Figure 9. Computing equity value C9

Company 10

This company had its best year in 2005 with an EBIT of 3.390 T€ and a company value of 34.171 T€. Then EBIT slightly declined till 2007 down to 1.798 T€. In the last year of the regarded period EBIT grew up again to 2.415 T€ and the equity value rose up to 29.103 T€. Company 10 is a very solid company with a strong cash-position.

C10: EBIT-Multiplier (in TEUR)

	2005	2006	2007	2008
EBIT	3.390	1.866	1.798	2.415
x Multipler	5.9	5.9	5.9	5.9
= company value	11.998	11.011	10.609	14.251
- bank debts	-	-	-	-
- additional interest bearing debts (e.g. mezzanine)	0	0.049	0.001	0
+ cash resources (fixed depositd, cash, etc.)	14.173	13.237	13.795	14.852
= purchase price / equity value	**34.171**	**24.199**	**24.404**	**29.103**

Equity value U10 in EUR

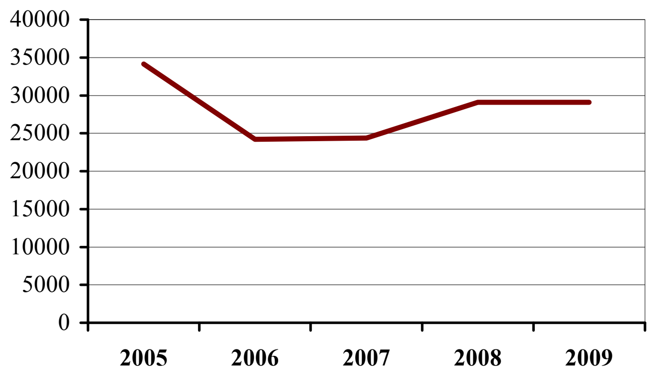

Figure 10. Computing equity value C10

Company 11

For company 11 is no P&L data in the "Elektronischen Bundesanzeiger" available.

Summary:

- All of the randomly selected companies show quite strong financial results.
- Eight companies raise their equity value during the regarded period.
- Only one company shows significant bank debts.

III. Comparing the Results of "Great Place to Work" – The Great Place to Work® Institute [4]

Based on an employee survey and a culture audit, attending companies where ranked from 1 to 100. In this research I will compare the results from 11 randomly selected companies which attended the contest 2007 and 2009 or only in 2009.

Company	C1	C1		C1	C2		C3	C4	C4		C5	C5		C6	C6		C7 Hawle	C7 Hawle		C8	C9	C10	C11
V1	97	97	0	94	100	6	88	99	100	1	99	99	0	98	96	-2	90	85	-5	92	97	89	94
V2	91	91	0	94	98	4	84	98	98	0	100	93	-7	89	82	-7	95	91	-4	93	93	97	93
V3	95	95	0	100	97	-3	90	98	98	0	97	98	1	98	95	-3	94	97	3	96	98	100	95
V4	82	86	4	87	95	8	70	95	95	0	88	98	10	88	91	3	67	71	4	74	86	79	79
V5	96	95	-1	89	100	11	95	97	98	1	99	100	1	95	95	0	82	82	0	85	95	84	74
V6	92	92	0	87	100	13	69	93	98	5	99	99	0	94	92	-2	75	73	-2	78	87	60	76
V7	69	67	-2	85	92	7	60	89	90	1	91	97	6	84	72	-12	77	77	0	79	79	71	84
V8	91	84	-7	91	98	7	70	95	94	-1	96	98	2	89	82	-7	75	74	-1	75	85	84	82
V9	78	77	-1	91	97	6	49	82	93	11	93	93	0	64	71	7	62	77	15	84	84	84	84
V10	79	84	5	83	90	7	67	93	92	-1	88	91	3	88	86	-2	71	73	2	70	80	71	76
V11	68	59	-9	72	83	11	72	92	93	1	85	88	3	68	68	0	66	61	-5	78	87	79	73
V12	77	88	11	91	97	6	93	93	96	3	88	91	3	83	88	5	81	88	7	94	93	88	79
V13	92	95	3	93	100	7	92	98	98	0	97	100	3	96	92	-4	81	87	6	92	97	91	85
V14	90	83	-7	85	93	8	75	89	96	7	97	99	2	94	86	-8	77	64	-13	72	90	76	85
V15	83	89	6	91	100	9	80	97	98	1	93	100	7	90	91	1	72	73	1	86	93	74	76
V16	85	82	-3	83	98	15	72	95	94	-1	93	94	1	89	81	-8	66	69	3	70	82	78	75
V17	77	85	8	87	98	11	83	95	96	1	90	97	7	79	80	1	88	84	-4	91	94	72	87
V18	45	40	-5	68	87	19	90	95	98	3	68	92	24	58	48	-10	61	61	0	68	73	93	54
V19	66	62	-4	83	95	12	57	89	95	6	91	95	4	89	79	-10	56	57	1	72	78	71	89
V20	75	76	1	72	95	23	55	95	90	-5	94	99	5	76	68	-8	75	69	-6	80	84	74	89
V21	92	94	2	94	100	6	84	98	98	0	97	99	2	95	93	-2	88	82	-6	86	95	86	75
V22	62	74	12	81	93	12	52	90	93	3	78	88	10	74	73	-1	60	66	6	68	75	69	60
V23	77	81	4	80	90	10	66	94	92	-2	88	94	6	79	83	4	66	65	-1	70	79	81	68
V24	66	69	3	85	95	10	77	91	93	2	88	95	7	66	67	1	84	78	-6	89	86	70	77
V25	58	60	2	89	88	-1	58	84	85	1	94	96	2	76	68	-8	76	73	-3	69	80	62	80
V26	87	93	6	89	100	11	91	96	98	2	91	97	6	94	90	-4	72	76	4	88	94	86	59
V27	64	87	23	87	97	10	71	95	97	2	91	98	7	76	85	9	63	71	8	78	84	81	81
V28	96	99	3	98	100	2	89	98	100	2	100	98	-2	94	93	-1	86	90	4	91	97	93	92
V29	83	76	-7	76	92	16	51	86	89	3	94	95	1	70	70	0	50	55	5	53	67	63	50
V30	92	88	-4	91	98	7	79	95	98	3	93	99	6	87	85	-2	84	73	-11	85	93	79	76
V31	79	88	9	94	98	4	86	97	98	1	93	97	4	88	85	-3	83	81	-2	86	92	88	81
V32	81	81	0	81	97	16	72	95	90	-5	96	94	-2	84	76	-8	74	67	-7	73	80	74	79
V33	100	100	0	98	100	2	97	99	100	1	100	100	0	98	96	-2	93	94	1	99	100	98	97
V34	93	91	-2	81	97	16	84	93	99	6	91	98	7	87	93	6	74	74	0	86	91	79	89
V35	81	77	-4	74	98	24	55	93	94	1	97	99	2	90	77	-13	71	65	-6	69	80	69	82
V36	78	63	-15	87	97	10	76	85	88	3	87	89	2	85	89	4	93	82	-11	80	77	93	89
V37	95	93	-2	91	100	9	97	98	100	2	93	100	7	96	93	-3	91	95	4	95	99	98	97
V38	85	83	-2	89	100	11	85	97	98	1	88	98	10	94	84	-10	91	84	-7	94	96	76	83
V39	80	88	8	79	98	19	70	95	96	1	91	98	7	84	87	3	73	70	-3	81	89	71	86
V40	73	80	7	79	98	19	73	99	99	0	99	100	1	92	97	5	95	97	2	74	89	95	92
V41	82	94	12	89	98	9	80	99	98	-1	99	98	-1	84	85	1	76	86	10	83	89	93	82
V42	90	85	-5	87	98	11	74	94	96	2	99	99	0	92	89	-3	58	64	6	77	83	65	74
V43	42	68	26	76	97	21	41	90	95	5	84	90	6	49	58	9	67	68	1	74	68	55	83
V44	98	99	1	91	100	9	97	100	100	0	96	100	4	100	96	-4	94	98	4	96	100	100	97
V45	91	85	-6	87	98	11	71	97	93	-4	97	99	2	84	77	-7	86	74	-12	75	85	83	85
V46	90	87	-3	85	98	13	74	93	97	4	96	98	2	86	83	-3	76	71	-5	79	84	82	82
V47	13	25	12	34	60	26	80	86	93	7	51	71	20	19	24	5	65	75	10	86	54	97	88
V48	81	80	-1	74	98	24	68	95	98	3	93	98	5	77	82	5	72	65	-7	80	86	57	85
V49	78	93	15	91	98	7	89	99	98	-1	97	99	2	95	91	-4	83	76	-7	88	92	88	89
V50	76	74	-2	89	97	8	66	93	95	2	90	97	7	74	81	7	67	77	10	69	84	71	78
V51	65	72	7	79	95	16	89	97	97	0	87	98	11	68	69	1	89	81	-8	94	93	79	87
V52	88	92	4	85	97	12	91	97	99	2	94	98	4	89	87	-2	84	86	2	91	94	91	90
V53	73	82	9	93	100	7	78	94	99	5	82	88	6	73	81	8	80	85	5	83	88	77	81
V54	80	79	-1	83	97	14	89	93	92	-1	84	94	10	84	82	-2	81	84	3	90	92	83	81
V55	94	96	2	100	100	0	91	99	99	0	96	99	3	95	93	-2	83	88	5	97	97	93	93
V56	84	91	7	89	98	9	81	94	98	4	94	98	4	85	86	1	87	78	-9	88	93	82	87
V57	96	99	3	96	100	4	93	100	100	0	96	100	4	93	94	1	95	97	2	99	99	100	98
V58	88	89	1	91	98	7	85	96	98	2	97	99	2	79	83	4	89	88	-1	93	95	86	92
V59	27	68	41	45	90	45	66	95	96	1	55	61	6	35	42	7	74	79	5	92	61	91	97
V61	0	81	81	0	98	98	76	0	98	98	0	97	97	0	82	82	0	85	85	92	92	80	91
totalscore after z-correction _2007	135,48			133,07				165,92			130,65			152,35			112,11						
Ranking	3			4				1			5			2			6						
totalscore after z-correction _2009		130,68			152,8		129,27		159,38			150,48			132,08			121,43		134,74	138,81	122,17	126,74
Ranking		7			2		8		1			3			6			11		5	4	10	9

Figure 11. Great place to work results 2007 / 2009

Company 1

Company 1 took part both years 2007 and 2009. Based on the total score this company had a small decline from 135.48 to 130.68 points. The most relevant decreases were in these following Questions. Question 29: "Promotions go to those who best deserve them" (minus seven points). Question 36: "Our facilities contribute to a good working environment" (minus fourteen points). Question 45: "Management is competent at running the business" (minus 6 points). Out of these 11 companies company 1 reached the 7th place in 2009.

Company 2

Company 2 also took part both times in the contest and raised its total score from 133.07 up to 152.80 from 2007 till 2009. The most relevant raise was in these following Questions. Question 16: "Management genuinely seeks and responds to suggestions and ideas" (plus 15 points). Question 18: "I feel I receive a fair share of the profits made by this organization" (plus 19 points). Question 20: "Management has a clear view of where the organization is going and how to get there" (plus23 points). Question 29: "Promotions go to those who best deserve them" (plus15 points). Question 32: "Management delivers on its promises" (plus16 points). Question 34: "People care about each other there" (plus16 points). Question 35: "Management's actions match its words" (plus 24 points). Question 39: "There is a "family" or "team" feeling there" (plus 20 points). Question 40: "People celebrate special events around here" (plus 20 points). Question 47: "We have special and unique benefits here" (plus 26 points). Question 48: "We are all in this together" (plus 24 points). Question 51: "I want to work here for a long time" (plus 16 points). Question 59: "People are supported by helpful measures in promoting health" (plus 45 points). Out of these 11 companies company 1 reached the 2nd place in 2009.

Company 3

Company 3 only took part in 2009 and reached the 8th place with 129.27 points.

Company 4

Company 4 took part both years 2007 and 2009. Based on the total score this company had a small decline from 165.92 to 159.38 points. The most relevant decrease was in Questions 20: "Management has a clear view of where the organization is going and how to get there" (minus 6 points). In both years 2007 and 2009 this company was on the first place out of the selected one.

Company 5

Company 5 also took part both times in the contest and raised its total score from 130.65 up to 150.48 from 2007 till 2009. The most relevant raise was in these following Questions. Question 18: "I feel I receive a fair share of the profits made by this organization" (plus 24 points). Question 47: "We have special and unique benefits here" (plus 20 points). Out of these 11 companies company 5 reached the 3rd place in 2009.

Company 6

Company 4 took part both years 2007 and 2009. Based on the total score this company had a decline from 152.35 to 132.08 points. The most relevant decreases were in these following Questions. Question 2: "I am given the resources and equipment to do my job" (minus 6 points). Question 7: "Management makes its expectations clear" (minus 12 points). Question 8: "I can ask management any reasonable question and get a straight answer" (minus 7 points). Question 14: "Management is approachable, easy to talk with" (minus 8 points). Question 16:"Management genuinely seeks and responds to suggestions and ideas" (minus 8 points). Question 18: "I feel I receive a fair share of the profits made by this organization" (minus 11 points). Question 19: "Management keeps me informed about important issues and changes (minus 10 points). Question 20: "Management has a clear view of where the organization is going and how to get there" (minus 8 points). Question 25: "Management does a good job of assigning and coordinating people" (minus 8 points). Question 32: "Management delivers on its promises" (minus 8 points). Question 35: "Management's actions match its words" (minus 13 points). Question 38: "I'm proud to tell others I work here" (minus 10 points). Question 45: "Management is competent at running the business" (minus 7 points). Out of these 11 companies company 6 reached the 6th place in 2009.

Company 7

Company 7 also took part both times in the contest and raised its total score from 112.11 up to 152.80 from 2007 till 2009. The most relevant raise was in these following Questions. Question 9: "I am offered training or development to further myself professionally" (plus 15 points). Question 12: "My work has special meaning: this is not "just a job" (plus 7 points). Question 27: "This is a psychologically and emotionally healthy place to work" (plus 8 points). Question 41: "I believe management would lay people off only as a last resort" (plus 11 points). Question 47:"We have special and unique benefits here" (plus 10 points). Question 50: "Management shows a sincere interest in me as a person, not just an employee (plus 9 points). Out of these 11 companies company 7 reached the 11th place in 2009.

Company 8

Company 8 only took part in 2009 and reached the 5th place with 134.74 points.

Company 9

Company 9 only took part in 2009 and reached the 4th place with 138.81 points.

Company 10

Company 10 only took part in 2009 and reached the 10th place with 122.17 points.

Company11

Company 11 only took part in 2009 and reached the 9 place with 126.74 points.

Summary

All these eleven companies have a very high employee satisfaction. The six companies which took part two times in this contest and reached a place under the 100 best are outstanding.

Conclusions

All of the randomly selected companies show quite strong financial results. Eight companies raised their equity value during the regarded period. Only one company shows significant bank debts. From the six companies which attended the contest both times, five companies show their financial data in the "Elektronischen Bundesanzeiger". Three from these five companies were able to raise their equity value during the regarded period despite the fact that during 2007-2009 we had strong financial crisis all over the world.

Most studies which are analyzing the correlation between employee satisfaction and financial results show evidence that there is a correlation.

This exemplary case study also shows clear evidence that there is a correlation between employee satisfaction and equity value.

Managerial Implications and suggestions for further research:

- The employee's satisfaction is an essential factor for equity value and financial results.
- Managers should analyze what are the drivers for their employee's satisfaction.
- Managers should provide a working environment which allows raising the employee's satisfaction.

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Colbe, ZGR 1997, S. 271/274-283; Küting/Lorson, BB 1997, Beilage 8, S. 11/18-25; speziell zum APV-Ansatz Drukarczyk/Richter, DBW 1995, S. 559-580; Luehrmann, Harvard Business Review 1997, S. 145-154. Zur Verbreitung der DCF-Verfahren in Deutschland vgl. die empirischen Untersuchungen von Peemöller/Bömelburg/Denkmann, WPg 1994, S. 741-749; Pellens/Rockholtz/Stienemann, DB 1997, S. 1933/1934-1936) can be used. A firm's value is determined by its ability to generate cash flow, both now and in the future. The DCF-Method computes company value by discounting cash flows. Therefore DCF-Methods use a risk adjusted interest rate the discounted cash flows can be seen as future values (vgl. Ballwieser, WPg 1998, S. 82; Baetge/Niemeyer/Kümmer (Fn 349), S. 278).

4. *www.greatplacetowork.de, www.greatplacetowork.com.*