



# The ROI of the Top Employers Certification

## Being a good employer translates to higher market value

**Amsterdam, 8th September, 2010 - Companies that, despite the financial crisis, continue to invest in HR and Employer Branding perform demonstrably better on the stock market than companies that pay less attention to these aspects. "Of course we knew that sooner or later being a good employer translates into better business results," says Steven Veenendaal, CEO of the CRF Institute. "But our research shows a strong relationship between what companies do for their employees and how that translates in the share price and thus shareholder value. Top Employers clearly do not see good HR policies as a cost but as an investment in employees and as a source of future outlooks."**

CRF Institute has identified those areas of HR policy that have the most added value. A notable trend is that organisations where employees have direct access to the CEO, scored better than companies where this is not the case. Veenendaal: "Open organisations encourage employee involvement and benefit directly from it. It is clear that in such organisations, involvement translates into better business results. "

At the best performing Top Employers, working conditions are highly valued by its employees. It is also notable that in case employees leave the company, work-related health problems play a less than average role. Veenendaal: "HR departments can contribute directly to improving working conditions and thus ultimately to the market value of their organisation."

Certified Top Employers show a higher than average price performance in the stock market. On 1st June 2010, the price of the listed Top Employers was on average 30% above the market value of one and a half years earlier, whereas the leading indices combined did not rise above a 12% increase. Furthermore, Top Employers show another increase since 1st January 2010, while the index shows a sharp drop.

Characteristic for the group of Top Employers is that they actively communicate about their employer brand and underlying HR policies, both to their internal and external stakeholders. With a strong employer brand, employers are better able to attract and retain talent. Their employees show more commitment, are more productive and ultimately achieve better results for the organisation. Now we see how being a good employer will also translate into actual financial results.



## Technical explanation

From the Top Employers certified by the CRF Institute worldwide in 2009 and 2010, 39 are listed on one of the European stock markets. The average share prices on those markets have been compared with those of the Top Employers.

The Top Employers are listed on:

FTSE 100, SIX / SMI, DAX 30, Euronet BEL 20, CAC 40, FTSE, IBEX35 and AEX MIB

The highest scoring Top Employers were then compared with average scoring Top Employers. This comparison shows where these top scorers outperform and which parts of their employer brand yield the best results.

### **About the CRF Institute**

The CRF Institute is the independent organisation behind the Top Employers projects. The institute identifies top performers in the areas of HR, leadership and strategy.

Since 1991 the CRF Institute has developed its proprietary methodology, research and deliverables. It has grown into an international organisation with operations in twelve countries on three continents.

The CRF Institute's HR projects include Top Employers (locally known as Best Employers South Africa, Top Arbeitgeber Deutschland and Der Schweiz and Top Employeurs France) and verticals such as Top Arbeitgeber Automotive, Top IT Employers, Britain's Top Legal Employers and Careers SA.

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