

Individual Project Study – Significance of Employees for corporations



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Introduction

Employees are a vital component for any organization across the globe. The way organizations treat their employees portrays their style of doing business. To comprehend this better - 20 companies from different sectors were considered to find out a pattern if one existed and understand the significance of employees for their organizations at large.

Subject Companies

P & G	Skechers USA Inc
JPMORGAN CHASE & CO	Tesla
Synchrony Financial	Amerco retail
Black Rock	Dish Network Corp
Apple	Burlington
Capital One	Harley Davidson
CITIGROUP INC	Euronet Worldwide
T mobile	Aramark holdings
Visa	Wendys
General Mills	Fox Corporation

Methodology and Expectation

The above-mentioned companies' annual reports were studied to understand what their views are about employee's contribution, their safety and security, etc., thus using parameters such as Inclusion and Diversity, Equal Opportunity, Covid 19 benefits, Workplace Safety, and Training and Development.

Method: Analyzing Annual reports of the subject companies, viewing 10Ks and 10Qs, viewing their websites, primarily using justcapital.com for viewing the rankings of companies based on their ESG contribution. (*Justcapital is a nonprofit research organization which independently ranks companies considering the ESG factor*)

We would expect that companies that had a more liberal, proactive and considerate approach towards their employees, with particular emphasis on how they handled the effects of the COVID-19 pandemic within the company would perform better and have higher returns in terms of their performance.

Observations

Companies who are ESG aware, and place significant interest in the well-being of their employees are consistently growing and have significant market value in their respective industries.

Below is the excel sheet showcasing the same.

Companies	PE Ratio	ROE	EPS
P & G	28.73	28.87%	5.13
JPMORGAN CHASE & CO	13.56	9.53%	7.67
Synchrony Financial	8.44	10.13%	5.59
Black Rock	21.09	0.00%	28.69
Apple	35.17	69.25%	11.97
Capital One	7.72	2.28%	11.1
CITIGROUP INC	7.53	6.18%	5.14
T mobile	44.69	5.25%	4.06
Visa	38.07	33.34%	5.32
General Mills	16.68	26.48%	3.61

Contrastingly, companies that are not ESG mindful and have a general indifference to their employees' conditions show a significantly notable decrease in their performance, both intra-company and relative to their industry.

The table below showcases the same;

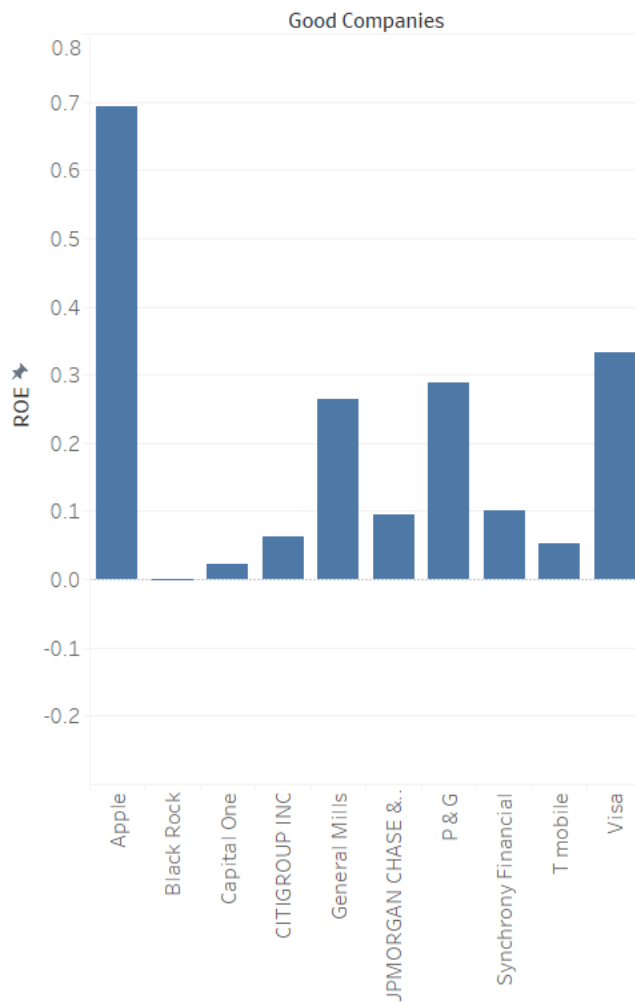
Company	PE Ratio	ROE	EPS
Skechers USA inc	34.81	7.99%	2.26
Tesla	1080	5.59%	
Amerco retail	17.78	9.78%	22.55
Dish Network Corp	18.73	12.13%	2.92
Burlington	285.37	-26.92%	7.05
Harley Davidson	57.14	6.17%	2.7
Euronet Worldwide	40.94	9.97%	6.49
Aramark holdings	51.18	-7.32%	1.82
Wendys	50.4	19.79%	0.6
Fox Corporation	16.51	10.33%	1.63

Analysis

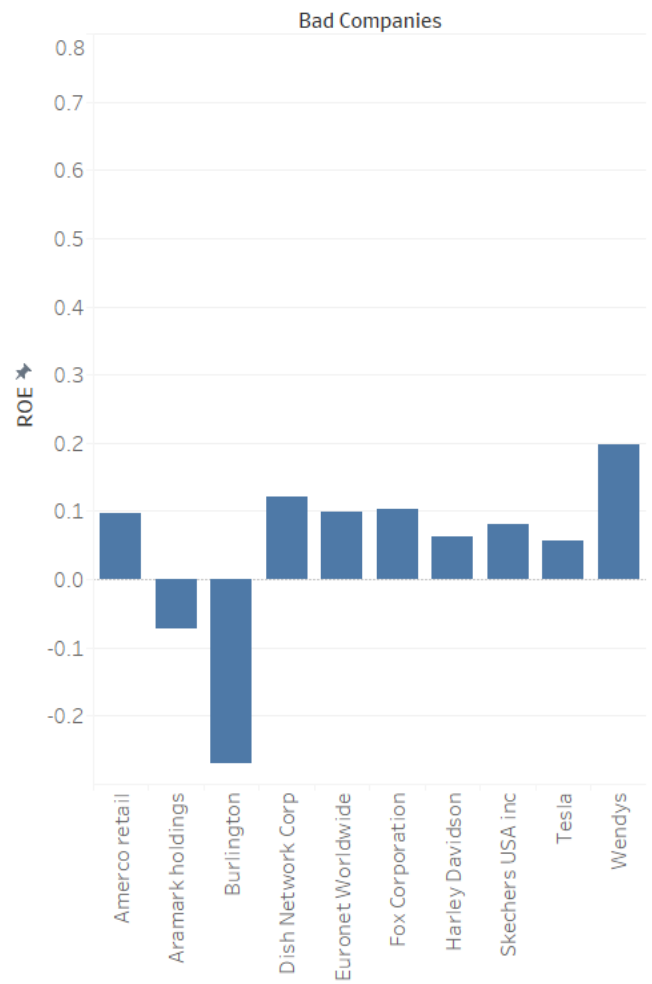
Shown below are graphs of the returns of the companies, segregated on the basis of their attitude to their employees' conditions. The scales of the graphs have been made uniform to aid comparison.

(Good Companies refers to companies who place significant value for employees in comparison to other companies that don't which are referred to as bad companies)

Good Companies



Bad Companies

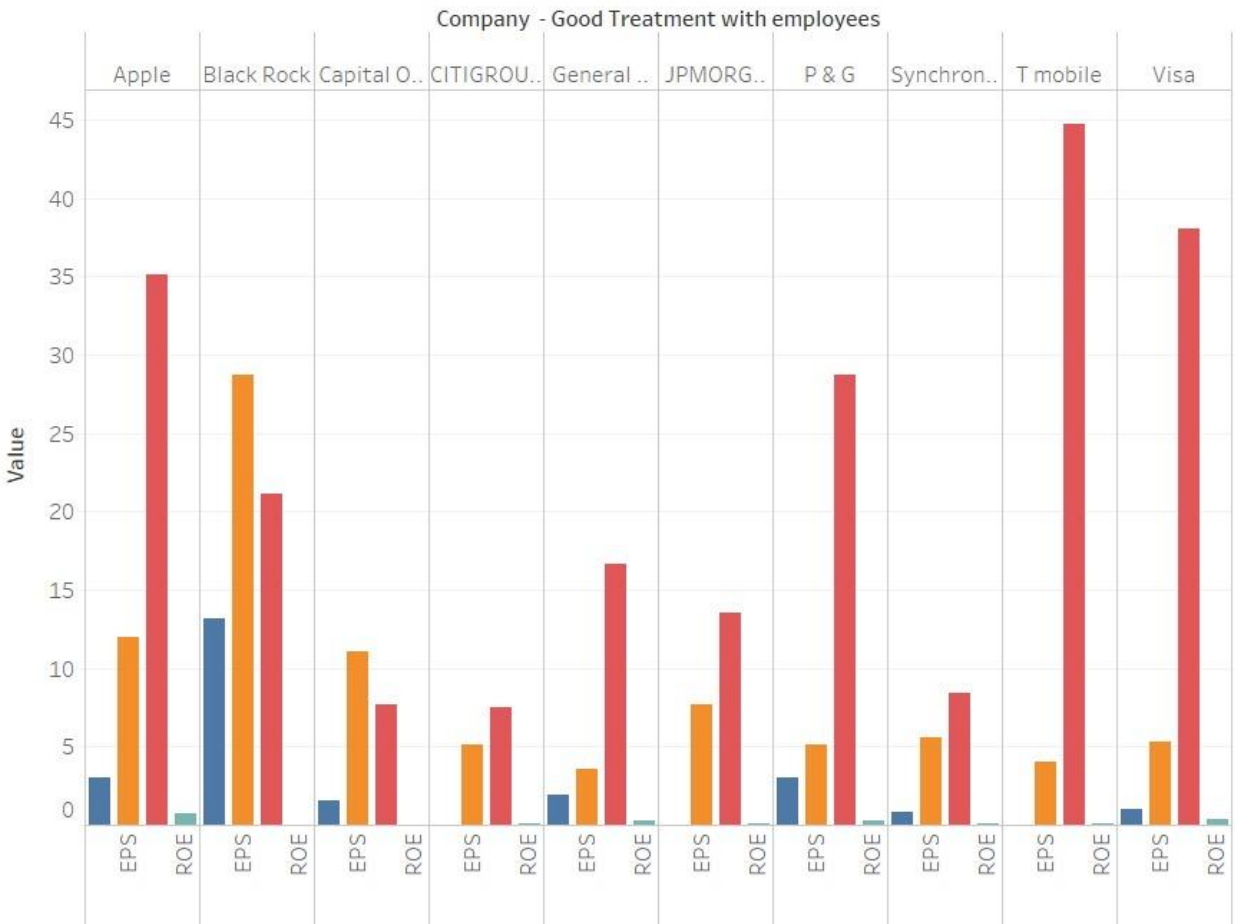


The following graphs display four different measures that the companies were evaluated on. The color legend for the same is provided before the individual figures.



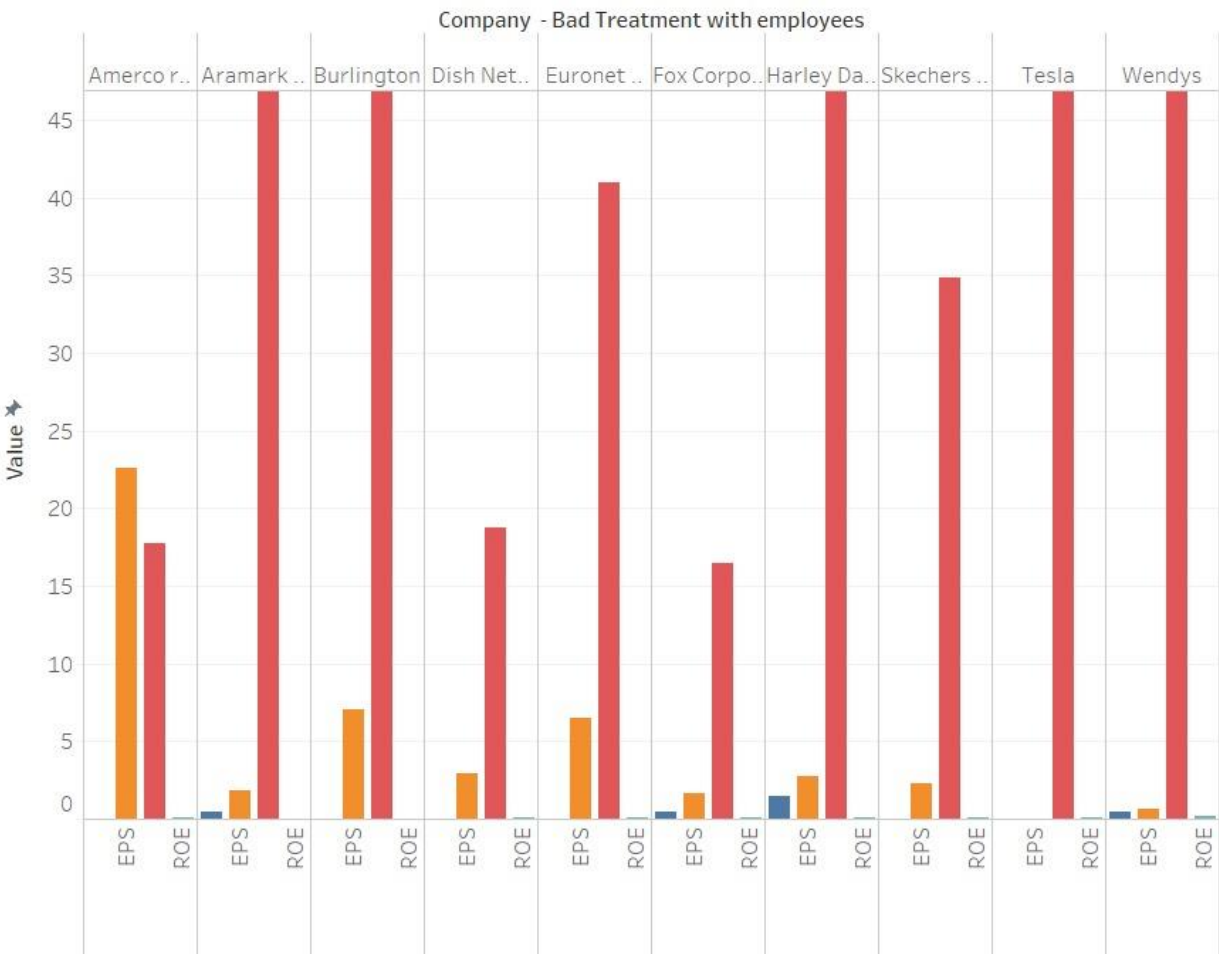
Companies with good treatment of employees

Sheet 2



Companies with bad treatment of employees

Sheet 1



All the companies were evaluated on the HR metrics shown below, on a simple Boolean basis. A visualization depicting each of the companies is shown below.

Sheet 1

Company name	Covid 19 benefits	Employee Funds	Equal Opportunity	Inclusion and Diversity	Training & Development	Workplace Safety
Amerco retail	●	●	●	●	●	●
Apple	●	●	●	●	●	●
Aramark holdings	●	●	●	●	●	●
Black Rock	●	●	●	●	●	●
Burlington	●	●	●	●	●	●
Capital One	●	●	●	●	●	●
CITIGROUP INC	●	●	●	●	●	●
Dish Network Corp	●	●	●	●	●	●
Euronet Worldwide	●	●	●	●	●	●
General Mills	●	●	●	●	●	●
Harley Davidson	●	●	●	●	●	●
JPMORGAN CHASE ..	●	●	●	●	●	●
P & G	●	●	●	●	●	●
Skechers USA inc	●	●	●	●	●	●
Synchrony Financial	●	●	●	●	●	●
T mobile	●	●	●	●	●	●
Tesla	●	●	●	●	●	●
Visa	●	●	●	●	●	●
Wendys	●	●	●	●	●	●

Conclusion

Based on the observations and analysis that was conducted on those observations, it is apparent that our expectation regarding the outcome of this study holds true. It is not cut and dry, for instance, there are some companies that are indifferent to their employees' well-being that have yet performed well, Wendy's for example. Yet the general trend indicates that companies that are more considerate to their employees tend to perform better relative to their industry and have greater returns.

Data Sources

- Justcapital.com
- Official Company Websites of all the subject companies
- Yahoo Finance