GOOD JOBS INSTITUTE

Our Mission

Help Companies Thrive by Creating Good Jobs

Many companies find themselves in a vicious cycle

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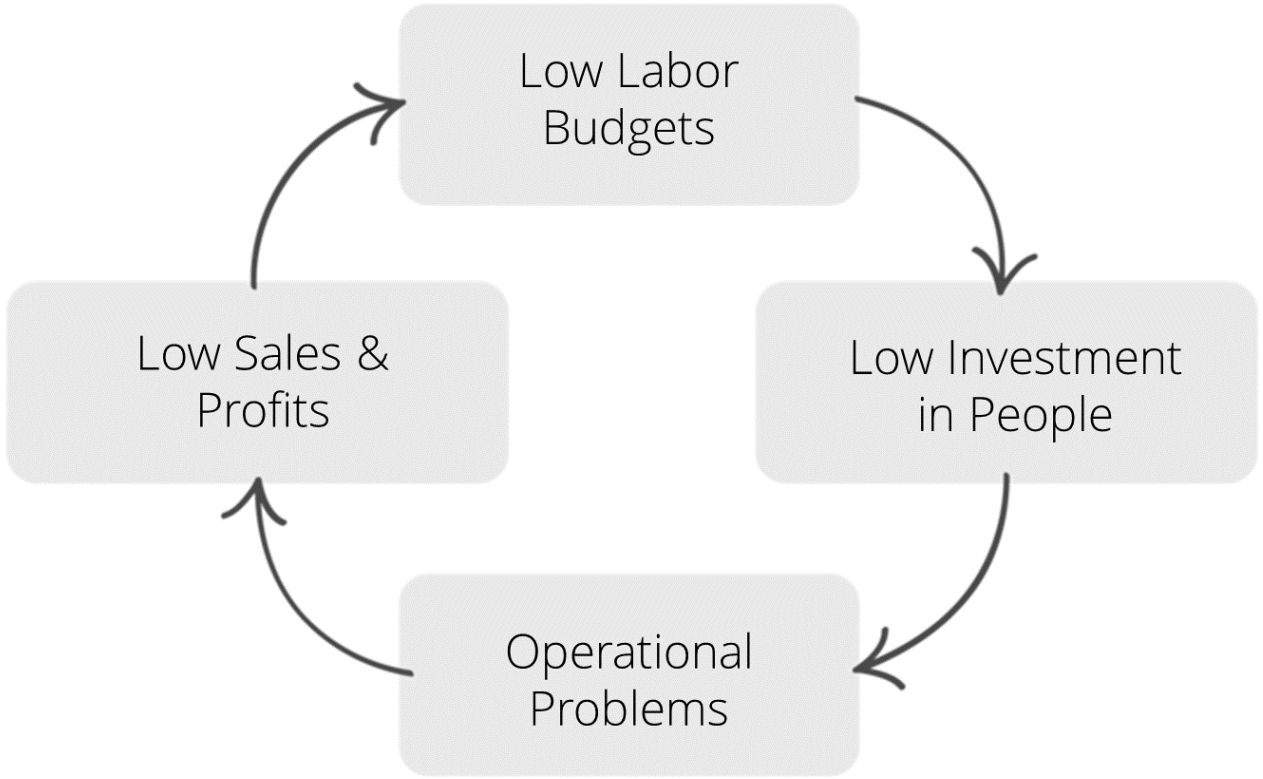
This Vicious Cycle Hurts

- Investors
- Customers
- Employees & Managers



Assumption: People = Cost

Effect of low wages and unstable schedules on workers

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Mental and Physical Health

Physical health and longevity

- Financial insecurity → Heart disease, stroke, diabetes, poor maternal health, premature deaths…

Mental health

- Financial insecurity → Depression, anxiety
- Imposes a **"bandwidth tax"** equal to:
  - A loss of 13 IQ points
  - Losing a full night's sleep
  - A chronic alcoholic vs. a normal adult

Ability to meet obligations – today and future

Housing & transportation

- Rent (risk of eviction; ability to show up in court)
- Cost / availability of public transportation
- Car (sharing; small ticket → license loss)

Care for dependents (children, parents)

- Cost & ability to schedule in advance
- Hard to handle "emergencies" (e.g., sick child)

Holding on to a job or planning for the future

- Attendance problems
- Retirement or emergency savings

Financially insecure workers end up with absolutely zero margin for error

Low wages & unstable schedules hurt companies, too

Instability in people

Absenteeism, turnover, hiring challenges

- "Staff can't work just one job to survive. And so attendance is a major issue, which is hard for our managers and residents. Many residents and families complain."

Low expectations

- "All people want is to be cared for and respected. But we're paying people crap, and then we expect them to come in and do a great job for us?"

Low excess bandwidth→ errors

CNAs & patient safety

- "…aides who experienced more financial precarity were less likely to notice threats to the safety of the patients on their watch, despite their high levels of empathy."

Truck drivers & accidents

- Study of 1,000+ drivers at national trucking company found that drivers who experience financial insecurity had higher accident rates

Sources: Leana, Carrie, Jirs Meuris, and Cait Lamberton. 2018. "More than a feeling: the role of empathetic care in promoting safety in health care." ILR Review 71 (March), 394-425.; Leana, Carrie. 2019. "The cost of financial precarity." Stanford Social Innovation Review (Spring 2019); GJI interviews; Forbes, "The Causes And Costs Of Absenteeism In The Workplace," Jul 2013

Company and Worker Cycles intersect to drive bad jobs and poor operational execution

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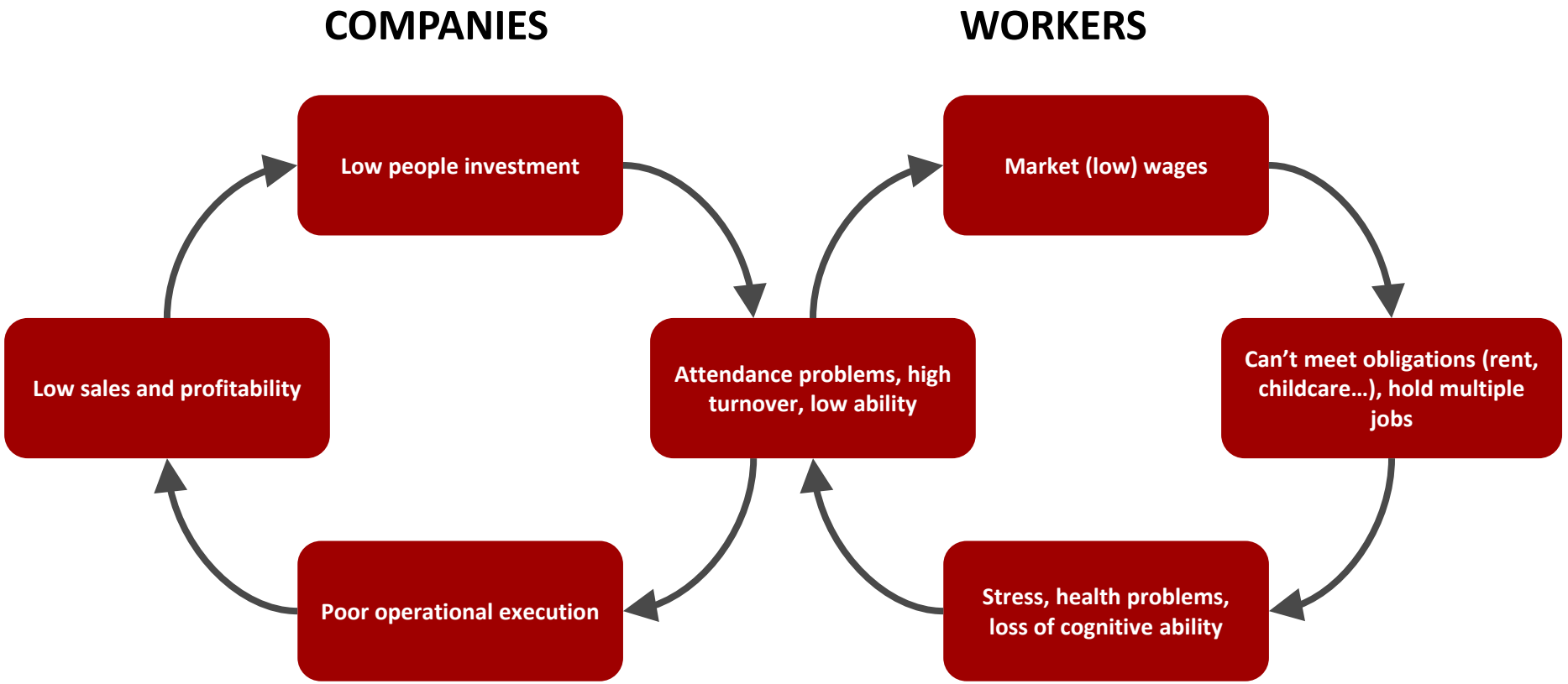

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What's their secret?

Operating system designed to drive and leverage capable & motivated people

versus

Operating system designed assuming low ability, motivation, high turnover

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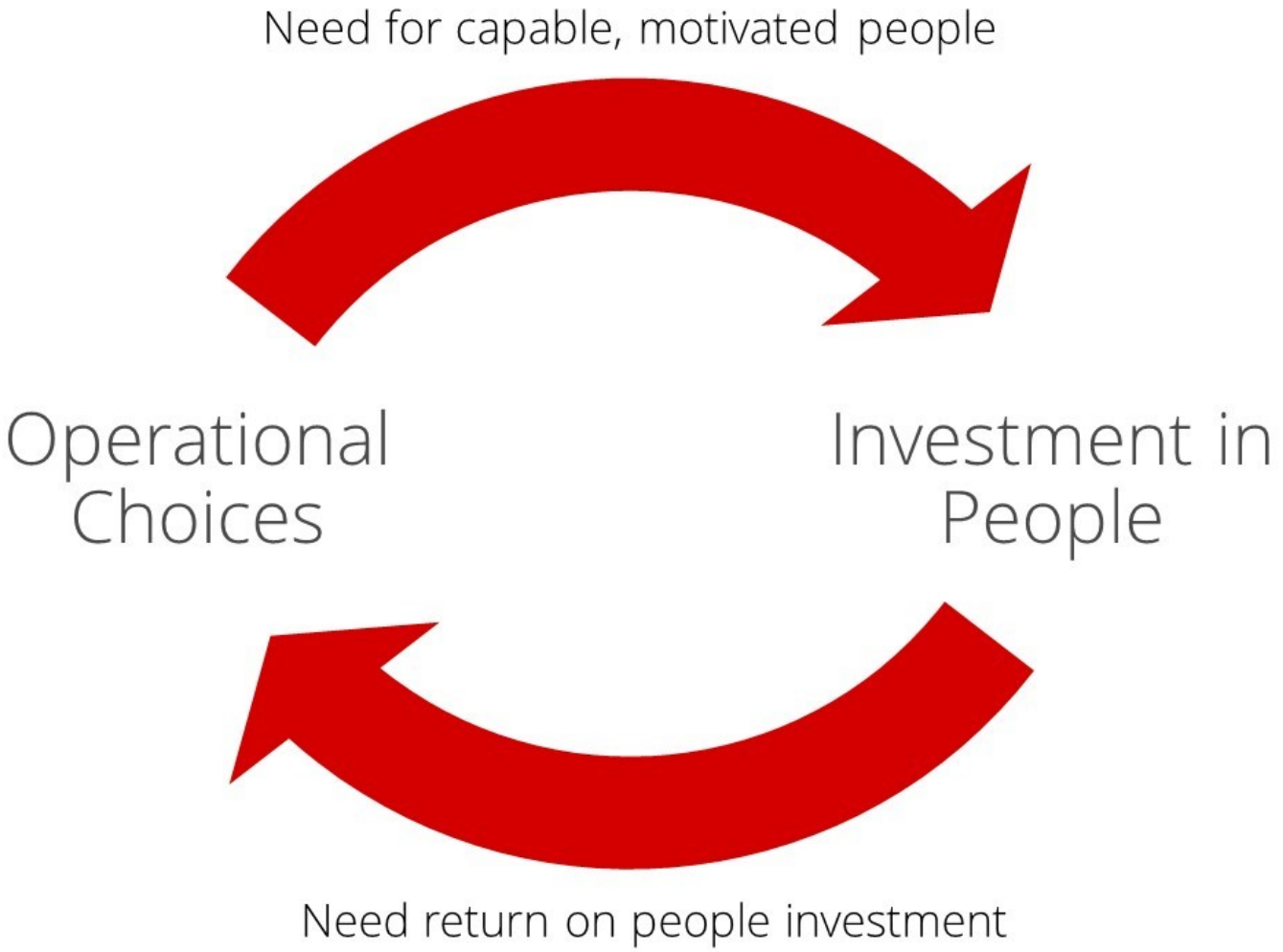

The Good Jobs Strategy

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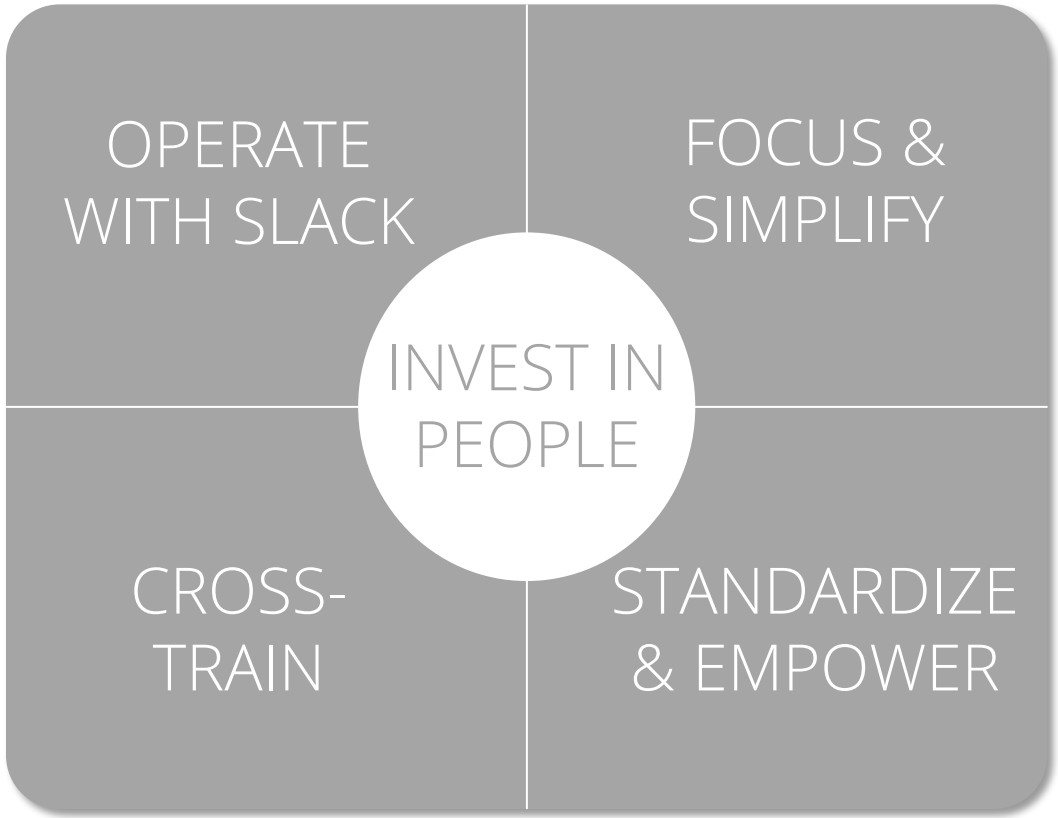

VALUES: 100% COMMITMENT TO CUSTOMERS, EMPLOYEES & IMPROVEMENT

1. **CUSTOMERS**
   Satisfied & loyal
2. **EMPLOYEES**
   Motivated & capable
3. **INVESTORS**
   High productivity, strong execution, higher sales, lower costs

The business case for good jobs

FINANCIAL

Increase Revenue
Reduce Costs
Improve Productivity

COMPETITIVE

Differentiation
Adaptation

MORAL

Case Study: Sam's Club

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sam's club

Invest in people:

- Higher wages for key roles: $5-$7/hr. increase (from a base of ~$15/hr.)
- Consistent and predictable schedules
- Increase % full-timers

Simplify and standardize work

- Reduce variety by ~25%
- Remove photo centers
- Simplify stocking process (lots of small changes: layout, process, pallet-driven)
- Standardize tire buying
- Voice assistant that pulls up info (Ask Sam's)

Sam Club's outcomes after two years

FINANCIAL

- **Employee turnover:** Some roles had turnover decreases as high as 49%
- **Net sales jumped 1.2%** (Q1-Q3 FY19)
- **Strong SSS growth**

COMPETITIVE

- **Membership satisfaction**
  - More new members/club
  - Higher member retention
- Ability to adapt during Covid

MORAL

- **Wage increase:** $5-$7/hr. (from a base of ~$15/hr.)
- **Consistent and predictable schedules**
- **Increase % full-timers**

We started in one building and the numbers…it was maybe 25 or 30% of the SKUs came out of the building. The first thing that I was concerned about … was the reaction that our members, our customers who are paying to shop with us … Immediately, I started watching a 4% increase in our NPS score regarding the wide assortment.

-John Furner former CEO Sam's Club

Good Jobs are Good Business!

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FINANCIAL

COMPETITIVE

MORAL