



Measuring Good Jobs and Good Companies

The Aspen Institute | Monday, October 29, 2018
Background Information

Good jobs are good business. Employees who have good wages, benefits, and opportunities for advancement stay in their jobs longer and are more productive. Businesses named on Glassdoor's "Best Places to Work" and Fortune's "Best Companies to Work For" lists regularly outperform the market.^{1 2}

Until recently, though, there has not been a data-driven way to measure how businesses treat their employees. Companies looking to improve their practices, or investors, banks, and contractors looking to evaluate business practices had no reliable metrics or benchmarks to use.

The Good Companies/Good Jobs Initiative at the Aspen Institute's Economic Opportunities Program and Working Metrics partnered to create a new tool to measure just this and to create a reliable benchmark to understand businesses' "people outcomes." The tool collects and analyzes data on frontline workers (those making less than \$60,000/year) and compares them across industries.

What is the tool?

The Working Metrics cloud-based software collects data from businesses and compares their outcomes and policies to organizations in the same industry to provide a reliable measure of how they treat their workers. From this analysis, it reports a rating that can be factored into broader evaluations of a business, suggestions for businesses to improve their outcomes, and detailed data breakdowns. Banks, investors, and procurement leaders can view reports on the data companies input and use it as part of an analysis of the health of a business, and to evaluate the impact human capital can have on how reliably it can repay a loan, grow, or provide reliable products and services.

The tool measures:

- Retention
- Wages
- Job growth
- Benefits
- Inclusion and racial and gender diversity

Working Metrics is being continually updated and will continue to offer additional metrics to meet users' needs.

¹ <https://www.forbes.com/sites/rawnshah/2015/04/20/do-the-best-places-to-work-perform-better-in-the-market/#1195cd7f7139>

² <http://fortune.com/2018/02/27/the-best-companies-to-work-for-are-beating-the-market/>

Why create this tool?

Research has shown that what's good for workers is good for businesses. Yet, aside from some high-profile, high-road businesses, wages for the majority of workers continue to be stagnant, despite an otherwise strong economy. A good-paying job is one of the surest ways to achieve economic security and increasing the number of these jobs increases opportunity and pathways out of poverty.

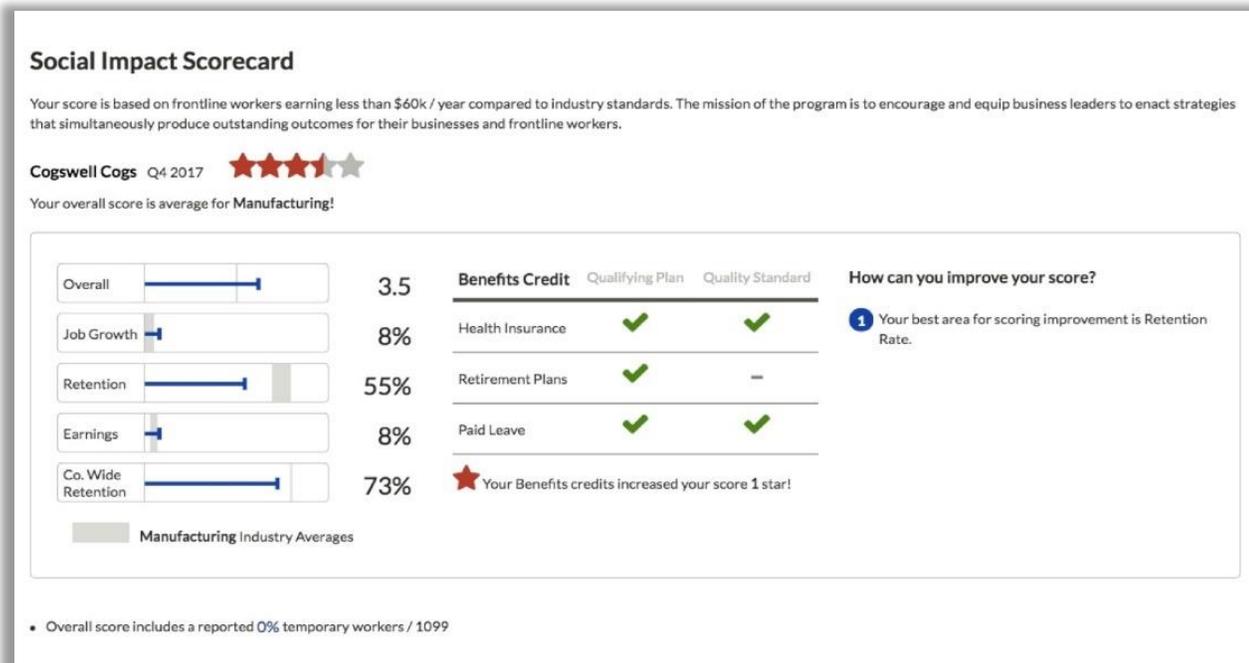
A reliable and easy benchmark for how workers are treated is another useful metric to evaluate businesses' prospects for loans, investments, and contracts. It also incentivizes businesses to continuously attend to their people performance and diversity/inclusion.

The software tool combines three valuable processes:

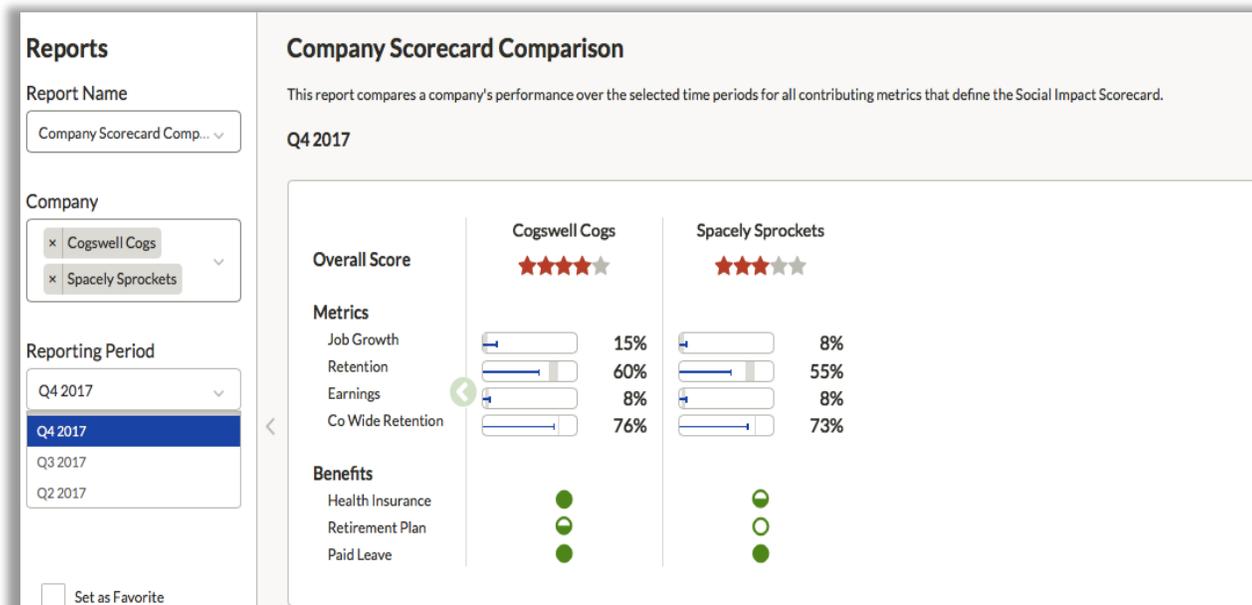
- Automated reporting and scoring of human capital performance
- Measurement against industry benchmarks
- Suggestions and tracking of human capital improvements

How does it work?

The application uses data already generated by businesses. The information can generally be collected and entered in less than an hour. The data and metrics measure change over time to provide a full picture of a business's performance. The data is converted into simple scorecard that shows how businesses stack up within their industry, and suggestions to improve their scores.



Reporting businesses can access their own profiles, scores, and reports, and control which approved partners can view it as well. Firms that want this data for evaluation of potential lenders, investees, or contractors can view individual businesses results, compare their overall rating, or select metrics change over time.



About the partnership

The software tool is a unique nonprofit/for-profit venture between the Aspen Institute and Working Metrics. This innovative approach is a first within the Aspen Institute, and to the partnership will help to boosting the scale of adoption and the social impact on frontline workers as well.

Support to the project

The Hitachi Foundation incubated this effort with the transfer of program, staff, and funding. The JPMorgan Chase Foundation has been a partner through sharing thought leadership and grant support. The Surdna Foundation and Ford Foundation also committed generous support.

Learn more

Learn more on our event page, as.pn/goodjobs.

This event is part of the Working in America series, an ongoing discussion series hosted by the Aspen Institute Economic Opportunities Program that highlights an array of critical issues affecting low- and moderate-income workers in the United States and ideas for improving and expanding economic opportunities for working people. We are grateful to the Ford Foundation, the Prudential Foundation, and the Walmart Foundation for their support of this series. For more information, visit as.pn/workinginamerica.

The Economic Opportunities Program advances promising strategies, policies, and ideas to help low- and moderate-income Americans connect to and thrive in a changing economy. Over its 25 years of work, EOP has focused on expanding individuals' opportunities to connect to quality work, to start businesses, and to build assets and economic stability. Join our mailing list (as.pn/eopmail) and follow us on social media (as.pn/eopsocial) to stay up-to-date on publications, events, announcements, and more. Learn more about our work at as.pn/eop.