

# The Good Jobs Strategy

Almost one-in-four American workers has a job that pays less than a living wage. Conventional wisdom says providing jobs with low wages, minimal benefits, little training, and chaotic schedules are the only way companies can keep costs down and prices low. MIT Sloan Associate Professor Zeynep Ton makes the compelling case that the presumed trade-off between investment in employees and low prices can be broken. Drawing on more than 15 years of research, Ton's Good Jobs Strategy shows how operational excellence enables companies to offer low prices to customers while ensuring good jobs for their employees and superior results for their investors or owners.

The Good Jobs Strategy creates superior value for employees, customers, and investor/owners by combining investment in employees with four operational choices that increase employee productivity, contribution, and motivation.

The four operational choices—Focus and Simplify, Standardize and Empower, Cross-Train and Operate With Slack—drive performance and continuous improvement. In this way, the Good Jobs Strategy creates a virtuous cycle where investment in people and operational excellence reinforce each other to drive value. At the same time, these operational choices work best with a trained and motivated workforce and hence require investment in people.

## Four Operational Choices

### 1. Focus and Simplify

Good Jobs Strategy companies have a clear strategic focus. They have clarity and alignment on the ideal customer experience and what problem they are solving for their customers, and make strategic trade-offs consistent with that focus. They then simplify their operations, applying real rigor around new products, services, promotions, communication, processes and tools to maximize customer satisfaction and employee productivity.

### 2. Standardize and Empower

Good Jobs Strategy companies standardize routine processes and empower frontline employees to improve those processes and to make decisions for their customers. Employee involvement in the standardization process increases buy-in and conformance to standards.

Standardization also gives employees clear expectations for their performance and enables them to focus more on the tougher choices that really do require human judgment. Empowering employees to solve customer problems and taking their ideas for improvement seriously lets them respond to customer needs and help the company cut costs.

### 3. Cross Train

Good Jobs Strategy companies cross-train employees to perform both customer-facing tasks and other tasks so that they can shift according to customer traffic. Cross-training improves customer service because employees are able to respond to customer needs more quickly. It means employees are busy even when there are no customers. It also enables companies to offer more predictable schedules. At Good Jobs companies, cross-training is done in a way that ensures mastery; not everyone is cross-trained in everything. Cross-training improves employee motivation because they can use a variety of skills and feel like part of a team in which everyone works together to serve customers well.

### 4. Operate with Slack

Good Jobs Strategy companies staff their stores with more labor hours than the expected workload so they can meet customer demand at peak periods. Operate With Slack enables employees to work without making errors to serve customers well. When employees have time to identify and communicate improvement ideas and problem-solve, they help cut costs everywhere else in the system.

Operate With Slack enables managers to lead and develop employees rather than constantly fire-fight. It makes work more meaningful by enabling employees to create more value for their customers. Operate With Slack also enables employees to have more predictable schedules and take time off when they are sick or have emergencies without feeling guilty that they will hurt their team.

## Invest in People

Good Jobs Companies invest in people in a way that creates a virtuous cycle with operations to improve performance. This means investment in recruiting, training, career path, high performance standards, fair wages and predictable schedules to ensure capable, knowledgeable, motivated employees.

## The Good Jobs Strategy Values

Good Jobs Strategy companies may have any number of values unique to them, but all have three constants: putting the customer first, recognizing employees as their most important resource, and a commitment to a culture of continuous improvement.

## Good Jobs Resources

Throughout this toolkit, you will see aspects of the Good Jobs Strategy and how they come together to help small businesses offer quality jobs. If you are interested in learning more, you can read *The Good Jobs Strategy* by Zeynep Ton. The Good Jobs Institute, a non-profit founded to help companies thrive by creating good jobs, also has a [website](#) where companies can learn more about how to implement the Good Jobs Strategy through free case studies, articles, and tools, including:

- [Good Jobs Scorecard](#): The Good Jobs Scorecard will help you collect and track key employee, customer and operation performance metrics which can help you make the financial, competitive and moral argument for good jobs at your business.
- [Good Jobs Diagnostic](#): This 86-question comprehensive survey lets you identify which elements of the Good Jobs Strategy your company currently practices and where there are opportunities for improvement. The Good Jobs Institute can help small businesses set up the survey and provide a template to analyze your data for free. You can have all your employees take the assessment and reflect together on where you can grow as a business.