

# Improving Job Quality Through Data-Driven Impact Procurement: The California Good Companies/Good Jobs Pilot

By Lauren Starks, Maxwell Johnson, and Maya Smith

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# **Improving Job Quality Through Data-Driven Impact Procurement:** The California Good Companies/Good Jobs Pilot

### INTRODUCTION

The role of private sector procurement and how it can be leveraged to affect economic opportunities for workers has become a critical area for attention. In the United States, procurement for goods and services among the largest US companies accounts for, on average, 75% of their total spending.1 Through these funds and the processes by which suppliers are identified, selected, or measured, businesses have a powerful mechanism to promote jobs that provide greater stability, family-sustaining wages, and enhanced benefits – all elements that are essential for improving workers' economic opportunity and well-being. To this end, in 2019, the Aspen Institute Economic Opportunities Program (EOP) received a grant from the James Irvine Foundation to support the pilot of California Good Companies/Good Jobs – a four-year project aimed at leveraging business incentives to boost high-road employer practices and expand job quality for frontline workers, particularly women and people of color. With an emphasis on strategies that can improve access to quality jobs for workers, the pilot focused on procurement decision-making among local governments and anchor institutions in California. By emphasizing the strategic use of procurement contracts, the pilot sought to encourage employers to prioritize the expansion of opportunities and job quality elements such as pay, benefits, and job stability for frontline workers.

This brief discusses the potential of data-driven impact procurement as a job quality strategy and specifically how, through strategic partnerships, Kaiser Permanente (KP) embedded job quality in its procurement practices from 2019 to 2023. It describes KP's strategies to engage pilot partners, design the implementation process, and use the data and lessons from this work to inform future action. The analysis is derived from interviews conducted by EOP staff in 2024 with stakeholders involved in the California Good Companies/Good Jobs pilot. In addition to KP leadership, these stakeholders included leaders from the data analytics platform Working Metrics (WM), KP, and security services firm Blackstone Consulting Inc (BCI). Interviews focused on the context of each organization's engagement in the pilot, the rationale for and design of the pilot, the results of the pilot and reaction of the organizations involved, and resulting changes in practices and policies. EOP staff also reviewed pilot materials from KP and WM, previous WM use case briefs, and literature on job quality and the procurement landscape. The interviews provided context regarding use cases for WM that predated the pilot, including information about organizations that were using the platform to inform vendor selection. Drawing from the research and interviews, the brief also provides recommendations for increasing the uptake of job quality-focused procurement in the private sector in California and nationwide.

# PARTICIPATING PARTNERS IN THE CALIFORNIA GOOD COMPANIES/ **GOOD JOBS PILOT**

### **Kaiser Permanente**

Founded in 1945, Kaiser Permanente is one of the largest integrated health insurers and care providers in the US, serving more than 12.5 million members and comprising more than 200,000 employees. Headquartered in Oakland, California, KP serves markets across California, Colorado, the District of Columbia, Georgia, Hawaii, Mary-

<sup>1 &</sup>quot;The State of Spend Report and Supplier Cost Reductions," Proxima

land, Virginia, and Washington. To serve these markets, KP engages with vendors that provide essential services to the hospital system, including pilot partner and longstanding provider of security services BCI.

With an emphasis on addressing the social determinants of health, KP deploys multiple strategies to improve economic well-being and community health across its regions. This includes a commitment to procurement spending among minority- and women-owned businesses. KP also facilitates suppliers becoming employee-owned businesses to further its commitment to supporting equitable economic opportunity.<sup>2</sup> KP also provides grants to nonprofits that facilitate wealth building for diverse business owners, their employees, and their communities.

### **Blackstone Consulting, Inc.**

Blackstone Consulting, Inc. is a minority-owned company, providing security, food services, and facilities maintenance. A KP vendor of seven years that has adopted a focus on what it views as the total health of its communities, workforce, and local economy, BCI employs nearly 9,000 workers and is one of the largest health care security services firms in the US. The firm's clients include Fortune 500 companies, hospitals, schools, universities, and industrial sites.

### **Working Metrics**

Working Metrics is a data analytics platform that offers businesses insights into job quality and diversity metrics. The platform, initially launched as a venture of the Aspen Institute Economic Opportunities Program in 2018, emerged from a recognition that advancing job quality requires actionable firm-level data. To help inform and improve companies' decision-making and results, Working Metrics enables procurement teams to analyze the job quality of vendors. Participating procurement teams and vendors receive comprehensive scorecards, including data that identifies successful job quality practices, comparable benchmarks, and areas for improvement.

### ADDITIONAL STAKEHOLDERS

### **Allied Universal**

Founded in 2016, Allied Universal is one of the US's largest global security and facility services companies. Allied Universal is a subcontractor of BCI and employs guards based in Kaiser Permanente facilities. In 2021, Allied executed an acquisition of a large United Kingdom based security firm, resulting in a company composed of over 800,000 employees. The initial KP pilot cohort of participating businesses included Allied Universal but, due to disruptions during the COVID-19 pandemic and corporate structural changes, which coincided with the launch of the pilot and supply chain disruptions, not all companies initially targeted for the pilot were able to participate during the window of this demonstration. Therefore, the results and analysis here reflect data from BCI's frontline employees.

### **BACKGROUND**

### **Defining and Measuring Good Jobs**

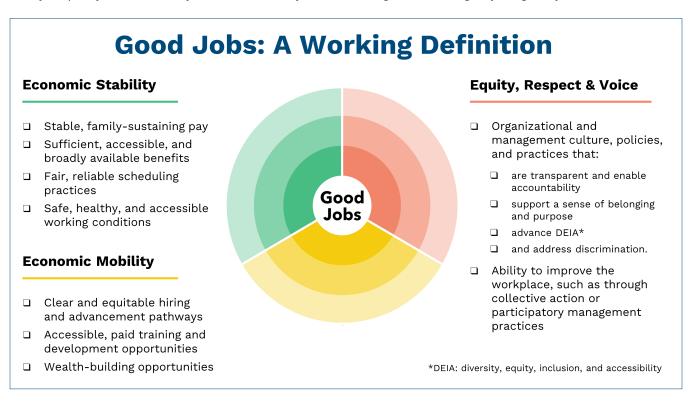
Good jobs are those offering economic stability, opportunities for economic mobility, and equitable treatment and respect, including the ability to improve working conditions and organizational effectiveness.<sup>3</sup> Fewer than half of American workers are in good jobs. Specifically, only 44% of working people in the US report having

<sup>&</sup>quot;Business Resiliency Through Employee Ownership: The Kaiser Permanente Pilot," Project Equity.

<sup>&</sup>quot;Good Jobs Champions Group," The Aspen Institute

a "good job," defined by satisfaction with the job characteristics they care most about.<sup>4</sup> More than 30% of the workforce – 53 million people – struggle with low wages.<sup>5</sup> Millions more lack adequate benefits including health insurance, retirement plans, and parental and sick leave; face discrimination and harassment; and cope with other daily challenges that are the consequence of low-quality jobs.

Improving the quality of jobs can positively affect not only businesses themselves but also employees and the communities in which they live and work. Having an engaged workforce can create a competitive advantage by increasing the adaptability and flexibility of a business, and good jobs are more likely to attract and retain employees because they are essential to meeting employees' needs and creating thriving communities. Yet, beyond the framework and definition, practical strategies are needed to encourage businesses to invest in and operationalize job quality and, ultimately, move the country closer to the goal of making all jobs good jobs.



In partnership with the Families and Workers Fund and informed by stakeholders across the US, EOP in 2022 developed a good jobs framework that captures three pillars recognized as essential for job quality: economic stability; economic mobility; and equity, respect, and voice. The framework recognizes that each element of job quality is important and that organizations should approach this work along an actionable continuum rather than a static, one-size-fits-all definition. Jobs in varied industries, firm sizes, regions, or other variables may show promise or room for improvement across the elements of job quality.

### **URGENCY OF ADVANCING JOB QUALITY**

Job quality is a salient concern for the American public and policymakers. Too many workers are unable to make ends meet, despite the high rate of jobs creation and low unemployment that have defined the US post-pan-

<sup>&</sup>quot;Not Just a Job: New Evidence on the Quality of Work in the United States," Lumina Foundation.

<sup>&</sup>quot;Meet the low-wage workforce," Brookings Institution.

demic economy.6 Wages for millions of workers have not kept pace with the cost of living, and access to good benefits is far from universal. A \$15 hourly wage – earned by a quarter of all workers and a third of Black and Latino workers – is insufficient to live on in any state in the country, even for a single person with no dependents.<sup>7</sup> And although family-supporting benefits are important to workers, many in the private sector lack paid leave and employer-sponsored health care.8 Those who have access to benefits face challenges of inequitable distribution of those benefits, as research from EOP's Future of Work Initiative has found. Further, workers with lower educational attainment and lower incomes tend to receive fewer workplace benefits than those with more education and higher incomes.9

Industry-specific challenges around job quality, magnified by the pandemic, raise further issues – and opportunities – to advance economic mobility for low-income workers. Workers in labor-intensive industries found themselves at the front lines, often without sufficient protective measures, paid leave, or medical benefits. In the US health care sector, for instance, many workers experienced the significant demand for health care services and pressure to perform under physically and mentally exhausting conditions. As a result, the health care workforce has shown delayed burnout and heightened turnover since the pandemic.<sup>10</sup>

At the state level, in California, which employs more than 700,000 workers in the health care industry – four out of every 100 workers and more than any other US state or territory – the economic fallout from the pandemic has laid bare inequities and burdens of low job quality for frontline workers.<sup>11</sup> Of California workers making less than \$40,000 per year, only half say their jobs offer any opportunity for growth, and even fewer say their jobs provide educational or training assistance. Additionally, 76% of Californians paid the lowest wages are people of color and immigrants<sup>12</sup>. This context, both nationally and in California, provides a backdrop for the urgency of approaches like impact procurement and the need for strategic partnerships that are centered on job quality that will help more workers, particularly women and people of color, advance economically.

### **Working Metrics and the Good Jobs Framework**

The Working Metrics tool was designed to ingest, standardize analyses, and report results on select and tailored parameters. Those design parameters align with and intentionally operationalize the EOP good jobs framework by identifying clear job quality indicators for measuring a business's progress relative to its peers. The tool also reflects the following principles that shape WM's approach to measurement:

- Metrics should assess results for workers, not employer practices. The outcomes measured should be worker earnings, retention, and internal advancement.
- Diversity, equity, and inclusion are central to job quality.
- Data should be clear and easy for employers to report. Systems that assess job quality should use employers' existing data and minimize reporting burdens.

<sup>&</sup>quot;Reimagining Job Quality Measurement," Families and Workers Fund; "The strong US job market is in a "sweet spot," economists say," CNBC; "Raising the Minimum Wage Would Be an Investment in Growing the Middle Class," Center for American Progress.

Living Wage Calculator, Amy K. Glasmeier and the Massachusetts Institute of Technology; "The fight for \$15 an hour is no longer enough. It's time to fight for \$20," Fast Company.

<sup>&</sup>quot;Benefits Beyond Measure," Aspen Institute.

<sup>&</sup>quot;Benefits Beyond Measure," Aspen Institute.

<sup>10 &</sup>quot;What are the recent trends in health sector employment?" Health System Tracker; "Pandemic continues to affect healthcare jobs, tracker finds," Healthcare Dive.

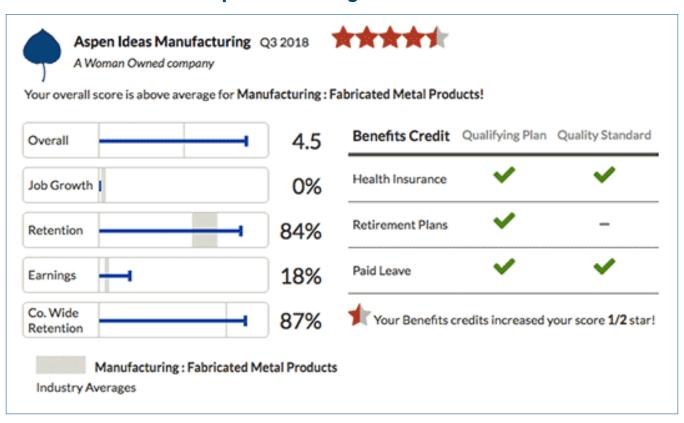
<sup>11 &</sup>quot;Who Are Our Health Care Workers," US Census Bureau.

<sup>12 &</sup>quot;PPIC Statewide Survey: Californians and Their Economic Well Being," PPIC.

- Systems for measuring job quality should ensure that employees' personally identifiable information remains secure.
- Employer ratings used in impact procurement may initially be confidential. However, it could be fruitful to discuss whether employers should be able to keep job quality information private in perpetuity, given that such data does not constitute trade secrets or confidential personal information.<sup>13</sup>

One of Working Metrics' main features is a scorecard that provides reporting companies with detailed data on indicators including retention rates, job growth, earnings, and availability and quality of benefits; the data also should include disaggregation to assess equity.<sup>14</sup>

# **Example of a Working Metrics scorecard**

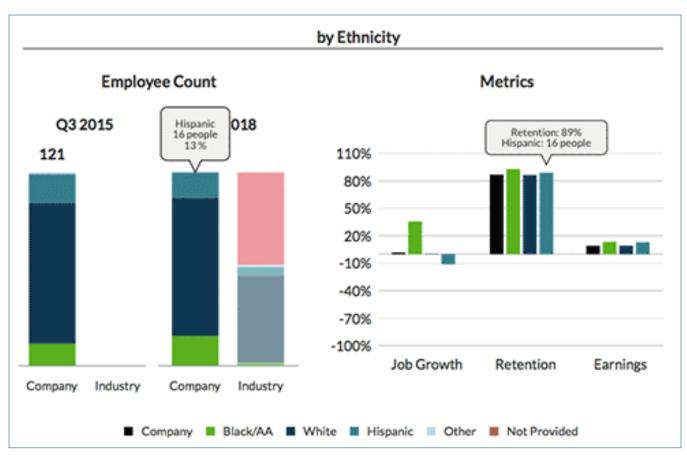


This sample scorecard provides information on the reporting company's job growth, earnings, and retention rates for different racial and ethnic groups. The scorecard is meant to help the reporting firm identify areas of success and opportunities to improve job quality. It can also serve as an external tool that helps employers set themselves apart as providers of quality jobs and as committed to working with firms offering quality jobs. In addition to informing understanding of job quality metrics, the results can be shared with investors, procurement teams, and other business partners<sup>15</sup> to help shape lending, investment, or other contract decisions.

<sup>13 &</sup>quot;Procurement with Purpose," Aspen Institute.

<sup>14 &</sup>quot;Working Metrics – Toward a More Equitable, Stable Economic System," Aspen Institute.

<sup>15 &</sup>quot;Measuring Good Jobs and Good Companies," Aspen Institute.



Source: Working Metrics Website.

## CALIFORNIA GOOD COMPANIES/GOOD JOBS PILOT DEVELOPMENT AND IMPLEMENTATION

This section describes contexts and approaches used in designing the pilot and how partnering with Working Metrics equipped KP with firm-specific job quality measurement tools, particularly the WM Scorecard. The use of data-driven tools provided the opportunity to deepen understanding of the barriers facing the participating BCI security guard workforce and to develop sightlines to rework practices supporting improvement in job quality.

### **Pilot Rationale**

Kaiser Permanente uses a community-centered approach to health care, which is termed "Total Health". KP's Total Health approach encompasses social determinants of health, including housing, food, and economic conditions. Tommy Smith, a leader in the KP impact procurement team, described Kaiser Permanente's mission as improving the health of its members and the communities it serves, which requires KP to leverage all of its nonclinical assets, notably its spending power, given its role as one of the largest employers and purchasers in the communities where it has a presence.<sup>16</sup>

KP's interest and partnership in a pilot focused on measuring job quality grew out of this mission and prior commitments in this arena. For example, prior to the pilot, KP was already conditioning its procurement contracts on vendors meeting a set of job quality standards that included minimum wage and health care coverage provisions, but it lacked a way to measure if and how their investment led to job quality improvements for frontline workers. A system of job quality measurement would enable KP impact procurement staff to validate the program's thesis.

KP understood the Total Health philosophy to apply to its contracted security guards because KP staff knew that an effective social impact strategy must ensure that spending among diverse vendors centers job quality. When KP signed a 10-year contract with BCI to provide security guard service, the health care provider had already been reconsidering the impact that its contracted security had on the experiences of patients and employees. Guards frequently interact with users of Kaiser Permanente facilities and might be perceived as indistinguishable from representatives of KP. Consequently, KP procurement staff believed it was important to ensure that vendors attract and retain quards invested in providing patients and employees with a positive experience. KP's impact spending team also believed that demonstrating the effectiveness of impact spending in improving job quality would serve as an example for peer employers. In addition, the investment would strengthen the Kaiser Permanente brand as a health care provider and community anchor.

Blackstone Consulting Inc., for its part, viewed the pilot as an opportunity to address the high turnover among its security guard workforce. The majority of BCI's workforce is unionized and pay and benefits were already subject to discussion between labor and management, but BCI management wanted to create internal structures to increase its workers' economic mobility, including promotion and training opportunities.

To operationalize a framework for improving job quality for the guard force, language on job quality was included in the security services proprietary contract between KP and BCI. KP's impact spending team developed certain key performance indicators grounded in KP's Total Health philosophy. Specifically, these key performance indicators examined how BCI was working to improve economic stability; economic mobility; and equity, respect, and voice in their company. To aim for this goal, KP kept track of retention, turnover, diversity of workers in KP facilities, and investments and engagement levels for different job quality initiatives. Kaiser Permanente then engaged Working Metrics, encouraged by the platform's previous experience working with anchor institutions, such as Cincinnati's TriHealth, to measure vendor job quality and diversity for a multiyear medical supply contract. After a delay during the COVID-19 pandemic, which increased the workload of security guards at Kaiser Permanente's facilities and renewed efforts to boost job quality, KP and WM launched the California Good Companies/Good Jobs pilot.

# **Job Quality in the Security Guard Workforce**

The US security guard workforce faces challenges that elevate the need for job quality research and analysis and overlap with opportunities to advance equity in the industry. Nearly three in four employees at Blackstone Consulting Inc., Kaiser Permanente's primary security guard vendor, are members of a minority community, making the workforce a good focal point for studying the potential of impact procurement on racial equity.<sup>17</sup>

Nationwide, more than 30% of security guards in the US are Black, even though Black workers make up only about 8% of the labor force.<sup>18</sup> These workers earn a median wage of \$15.16 per hour, less than the national median wage of \$21.90 per hour. Data shows that Black women are overrepresented in the occupational category encompassing security guard work and have the lowest median income among demographics in the occupation.<sup>19</sup>

<sup>17 &</sup>quot;A commitment to diverse businesses." Kaiser Permanente

<sup>18 &</sup>quot;Employment Challenges Facing Security Guards," Center for Economic and Policy Research"; "The Limits of Educational Attainment in Mitigating Occupational Segregation Between Black and White Workers," Ashely Jardina, et al.

<sup>19 &</sup>quot;Getting a Good Job Depends More on Race and Gender than Education," Urban Institute.

### **Pilot Scope and Implementation**

The pilot covered 756 guards employed by BCI who were working in KP facilities in California and several other states from 2020 to 2022. Because Working Metrics was designed to use data that all firms are required by law to collect, it was a straightforward process for KP and BCI to upload the data needed for the platform's analytics and scorecard, including data for wage, occupation, and Equal Employment Opportunity Commission data reporting.

Job quality metrics measured in the pilot drew on data points already collected in vendors' human resources systems, minimizing the reporting burden. Working Metrics staff assisted BCI human resources staff with onboarding onto the platform. BCI reported wage, gender, race, and ethnicity data on a quarterly basis for its workers in specific KP facilities. The security firm also responded to questions about its paid leave policies and employer contributions to health insurance premiums and retirement plans. BCI provided information on employees' start and end dates, annual salaries, and ZIP codes. Finally, Working Metrics assigned BCI a composite score, derived from an analysis of retention rates, job growth, earnings, and benefits of BCI workers earning less than \$60,000 a year.

### **Pilot Results**

In pilot interviews summarizing impact and results, Working Metrics, Kaiser Permanente, and BCI indicated the following insights and implementation considerations from the California Good Companies/Good Jobs pilot:

- BCI gained information that helped expand its view of job quality elements relative to national industry indicators. Due to limitations of publicly available data, however, BCI could not benchmark these elements against regional industry indicators during this pilot.
- Higher-earning frontline workers, defined in the pilot as those with yearly earnings of \$40,000 to \$60,000 as well as those earning more than \$60,000, experienced increased job growth and higher retention. Lower-paid frontline workers, whose yearly earnings were \$20,000 to \$40,000 or under \$20,000, saw increased earnings on average.
- BCI understood at the outset of the pilot that there were gender disparities in the security industry and, as a company, aimed to increase the percentage of female employees in the guard force and to understand data related to wage disparities. Results from the pilot showed that, over the three-year period, the number of female workers at BCI increased at a greater rate than that of male workers, rising to 35% of the BCI workforce. Earnings for women increased at a lower rate than that of men participating in the pilot. Based on the data, BCI was motivated to increase its focus on the advancement and development of women in their guard force
- The security guard industry in the United States is predominantly made up of people of color 31.3% of security guard workers are Black and 18.1% are Hispanic. Nationally, women and people of color also earn less than white male security guards. Due to constraints of more granular benchmarking, BCI was able to understand job growth and retention rates within their firm. BCI found that the job growth rate was higher for Hispanic workers than for white and Black workers. In addition, the retention rate for Black and Hispanic workers at BCI decreased over the course of the pilot. Based on these insights, BCI focused on strategies to improve retention rates of Black and Hispanic workers.

It is important to note several caveats that may have affected the interpretation of BCI's job quality scoring in Working Metrics. Job quality standards implemented by Kaiser Permanente for vendors prior to the pilot may have influenced BCI's job quality score in Working Metrics. KP had previously stipulated that vendors provide health insurance to workers, a factor that would have had a positive influence on the baseline benefits rating. BCI had also engaged in strategies to hire and retain female guards prior to its partnership with KP and WM, which is another factor that may have led to the firm's increased share of female guards during the pilot.

Despite these limitations, the data informed and validated efforts for participants to continue to focus on job quality. Participating in the pilot motivated BCI to continue – and deepen – its efforts to improve job quality, particularly through efforts reaching female workers. Raising retention rates and closing gender gaps in that domain remain a chief focus of the firm's job quality work. For example, BCI implemented the Women in Healthcare Security Network to focus on the advancement and development of women in their guard force. BCI also reconsidered its training strategy and built out a worker recognition program in light of the results. In addition, the pilot motivated BCI to use surveys and discussions with workers to better understand how WM data reflects their experiences. "I think that was very validating," said Alli Szutu, senior vice president of strategy and business operations at BCI. "From a business perspective, it has shaped the way we talk about the company. We talk about what are good jobs."

Kaiser Permanente has also used the pilot as a case study for strengthening job quality in procurement as part of its Total Health strategy. KP is considering similar pilots with other vendors who provide frontline workers in KP facilities. KP and BCI have also partnered to discuss the use case of the pilot with health care anchor institution peers. In addition, as KP's Tommy Smith highlighted, the pilot has elevated his perspective on how job quality metrics might be integrated into assessments of corporate risk. "We look at vendor risk, and we look at their financials.... I am also thinking, how are we looking at some of these other factors, like job quality.... The next phase of this," Smith continued, "is to look at the Working Metrics data for some of the vendors and compare it to some of our risk data."

### LESSONS LEARNED AND OPPORTUNITIES MOVING FORWARD

Procurement can be a critical lever for advancing job quality, particularly through targeted engagement and data-driven partnership with vendors supporting the health care industry. The following recommendations and considerations are drawn from the experiences of organizations involved in the California Good Companies/ Good Jobs pilot and may serve as framing for health care anchor institutions, impact procurement leaders, and supply chain vendors in future initiatives on strengthening job quality through data-driven impact procurement.

Health care anchor institutions are major spenders. Embedding job quality in procurement elevates their social mission and creates a lever for tangibly advancing economic opportunity for workers.

Health care anchor institutions, like Kaiser Permanente, are economic linchpins for their communities. Anchor institutions, overall, account for 9% of US employment and \$1.2 trillion in income. Their economic impact is such that, on average, for every 100 workers an anchor institution employs, an additional 82 jobs are supported with its supply chain.<sup>20</sup> Bringing such institutional heft to bear on job quality can have a pronounced impact on occupations too often defined by low job quality and disproportionately held by people of color and women. The Healthcare Anchor Network, an association of more than 70 health care systems, has recognized the role they can play in improving the lives of those in their communities and is an important partner for future work on data-driven impact procurement to strengthen job quality. The network's members prioritize racial and economic equity in their purchasing practices to strengthen local economies and support job quality.<sup>21</sup> The Healthcare Anchor Network offers, as one of the leaders of the demonstration pilot noted, "a big opportunity not only to make change, but also potentially make change at scale.... This starts with building awareness and outreach."

<sup>20 &</sup>quot;Anchor Impact: Understanding the Role of Higher Education and Hospitals in Regional Economies," Federal Reserve Bank of Philadelphia

<sup>21 &</sup>quot;Catalyzing Communities: The Role of Anchor Institutions in Building Inclusive Economies for Health Equity - ICIC.," ICIC.

# Data that is readily available, easily collected, and reported to public agencies offers a good starting point for evaluating job quality in procurement.

The role of simple, easy-to-understand job quality metrics in powering decisions and building more robust understanding of impact is an important area of study. The core attractiveness of Working Metrics is that it offers a simple set of measures that draws on data already collected by employers - a turnkey strategy that is intended to avoid straining firms' capacity and a system with a select number of metrics that can increase clarity when measuring job quality.<sup>22</sup> Many factors influence job quality, but three baseline measures align with key components of a good job: earnings, retention, and internal advancement. Working Metrics' assessment of workers' earnings is based on gross pay and draws on data that is already reported to the unemployment insurance system, which reduces employer burden to accessing, reporting, and analyzing such data.

# Standardizing benchmark creation processes can increase the replicability of the California Good Companies/Good Jobs pilot.

Several job quality benchmarks were customized to KP's unique circumstances during the pilot as Working Metrics was still iterating on its platform. KP and BCI participants discussed in interviews how they appreciated having specific industry and regional comparisons. However, the process of customizing benchmarks is time consuming. Working Metrics aims to standardize the process of creating benchmarks as it works to expand industries served.

# Scaling WM among motivated networks of similarly positioned institutions can maximize the effectiveness of benchmarking data.

The effectiveness of Working Metrics' benchmarking, which allows for comparison with other firms in an industry, can be maximized by using firm-level data from an intentional selection of participating contractors. Nationwide public data from the Bureau of Labor Statistics may not neatly match the geographic and sectoral context of the targeted employees when benchmarking. Minimum wages, for example, differ by state. In addition, the Job Openings and Labor Turnover Survey data from the Bureau of Labor Statistics, used for measuring retention, does not easily lend itself to automated processing. Determining benchmarks and measuring progress via an analysis of targeted occupations in a selection of contractors that share similar sectoral and geographic characteristics would best position impact procurers to understand the job quality in their unique labor markets and set locally nuanced goals.

# Organizations practicing impact procurement will have to decide between internal and third-party job quality measurement.

Many organizations track racial and ethnic diversity, retention rates, wages, and other data that can help them understand job quality. Organizations procuring goods and services, like Kaiser Permanente, can also ask vendors to report these metrics to ensure they offer quality jobs. In such cases, it may not be necessary to use a third-party platform to track and report job quality data. That said, participants in the pilot appreciated having an impartial third party analyze their data to compare with industry peers. In Working Metrics' case, significant support exists for onboarding vendors, reporting data, and performing analyses, which can be valuable to organizations. As more companies and government entities try to address chronic retention and turnover challenges, it will be instructive for the impact procurement field to understand the range of options and whether third-party platforms or internal mechanisms are best suited to help businesses measure progress in this area.

### Strong relationships between procurers and vendors and a shared commitment to job quality are key.

A history of engagement by anchor institutions with vendors, grounded in a shared understanding of how that procurement relationship can have a broader impact on frontline workers, can serve as a catalyst for strategies to improve job quality. Kaiser Permanente recognized that it could leverage its spending among vendors to address upstream determinants of health, including economic conditions. Kaiser Permanente has a longstanding commitment to procurement as a tool to improve good jobs and channeled that commitment toward ensuring that KP employees and patients had positive interactions with contracted security guards. For its part, BCI had previously worked to boost the diversity and retention in its workforce.

### **CONCLUSION**

Achieving a California – and a nation – where all low-income people have the power to advance economically is not possible without a commitment to impactful practices that improve job quality for workers. Businesses have an important role to play in improving the well-being of workers and the communities in which they are located, particularly by tapping into the procurement relationship.

The California Good Companies/Good Jobs pilot explores procurement as a lever for improving job quality, showing how data-driven strategies, tools, and practices can align with broader efforts to improve economic opportunities for workers. By measuring and tracking job quality metrics, the pilot illustrates how low-burden systems that evaluate job quality can be developed and implemented for procurers to inform decision-making when selecting and partnering with vendors. More broadly, it highlights the need for a deeper policy focus and research emphasis on the role of health care anchor institution procurement as a tool to raise the job quality floor.



# **LEARN MORE**

### **ABOUT THE AUTHORS**

**Lauren Starks** is the director of Good Companies/Good Jobs, an initiative of the Aspen Institute Economic Opportunities Program. Connect with her on LinkedIn.

**Maxwell Johnson** is a research associate with the Aspen Institute Economic Opportunities Program. Connect with him on LinkedIn.

**Maya Smith** is a research associate with the Aspen Institute Economic Opportunities Program. Connect with her on LinkedIn.

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