



# 6 Job Quality

PolicyLink

FSG REIMAGINING SOCIAL CHANGE

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Learn more about the Alliance and the draft standards in our latest report, *Introducing the Business Standards for 21st Century Leadership: Public Consultation Report and Draft Standards* available at <https://corporateraciaequityalliance.org/corporate-standards>.

# Reviewing and Submitting Feedback

## How to Navigate This Standard

Each draft standard begins with an overview, including:

- The outcome that the standard supports achieving
- The basic requirement of the standard
- A list of the currently proposed performance targets for the standard
- The value proposition of adopting the standard
- The most closely associated equity outcomes, showing how achievement of the standard contributes to positive societal impact
- A non-exhaustive list of related sustainability standards and frameworks

Following the overview is a glossary of key terms. Then, each performance target is presented with specific requirements, metrics, implementation guidelines, and resources. To support companies in getting started, suggested interim targets and metrics are included as well.

Navigation links are provided at the bottom of each page, beginning on page 5.

## Submitting Feedback

This is a living document and your participation in strengthening this work is important to us. Alongside our ongoing research and testing with companies, we look forward to feedback on these questions:

- Is the standard clear and compelling?
- Do you agree that the performance targets for this standard cover critical ways for companies to address discrimination and exclusion, and advance socially responsible business practices within the given topic? If not, why not?
- Are there additional or alternative performance targets you recommend for this standard?
- What additional guidance, if any, would be helpful for a company to get started and/or make steady progress toward achieving this standard?

Submit your feedback by completing [this survey](#) (letter submissions will also be accepted) or attending one of our virtual roundtables. [Find more information here on providing your feedback.](#)

# 6 The company provides quality jobs at all levels.





## Requirement

■ Compensate and treat all workers fairly, including providing equitable compensation and benefits that enable workers at all levels to thrive and build a future.

### Performance Targets

- P6.1** All workers are paid living wages.
- P6.2** All workers have essential benefits they can afford.
- P6.3** Pay equity and pay gaps are regularly analyzed across demographic groups and concrete action is taken to address any disparities.
- P6.4** Total compensation and rewards practices are socially responsible and promote well-being for all.
- P6.5** Other key employment terms and conditions are fair and respectful of workers at all levels.
- P6.6** Worker expertise informs Board oversight.
- P6.7** The rights of workers to freedom of association and collective bargaining are respected.

### Associated Equity Outcomes

-  Accountability Through Transparency
-  Balanced Power
-  Wealth Generation and Economic and Social Mobility
-  Health and Well-Being

### Key Connections

- SDGs 1, 8, and 10
- ESRS S1
- IFRS S1
- UNGP 20

## Business and Societal Value Proposition

Providing quality jobs at all levels of the company is one of the most powerful levers companies have to positively impact workers and communities, while also protecting the value creation engine of the business.

A quality job is one that pays living wages; offers essential benefits and fair rewards; ensures workers are safe from physical and emotional harm; and gives workers the predictability, flexibility, and voice they need to feel empowered and advance in their careers. Making such investments in the workforce not only has a positive impact on their lives, but also [promotes productivity, engagement, innovation, and value creation](#). Investing in quality jobs is also [consistent with stakeholder expectations](#) and [vital for a healthy economy, thriving families, and a stable democracy](#).

While workforce investments are often treated as costs to be minimized, insufficiently investing in the workforce [increases risk and costs](#) related to absenteeism, low engagement, turnover, and discrimination claims—all of which can impact business performance, brand value, and long-term success. [According to research on worker productivity](#), over half of employees report being relatively unproductive at work, including due to inadequate compensation, unsafe and unsupportive work environments, and a lack of flexibility and advancement opportunities. This potentially costs a median-size S&P 500 company between [\\$228 and \\$355 million in lost productivity annually](#). Investing in quality jobs mitigates this among other risks.

The performance targets for this Standard therefore focus on essential dimensions of providing quality jobs to all workers. See Standards 2, 4, and 5 for other aspects of job quality.

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