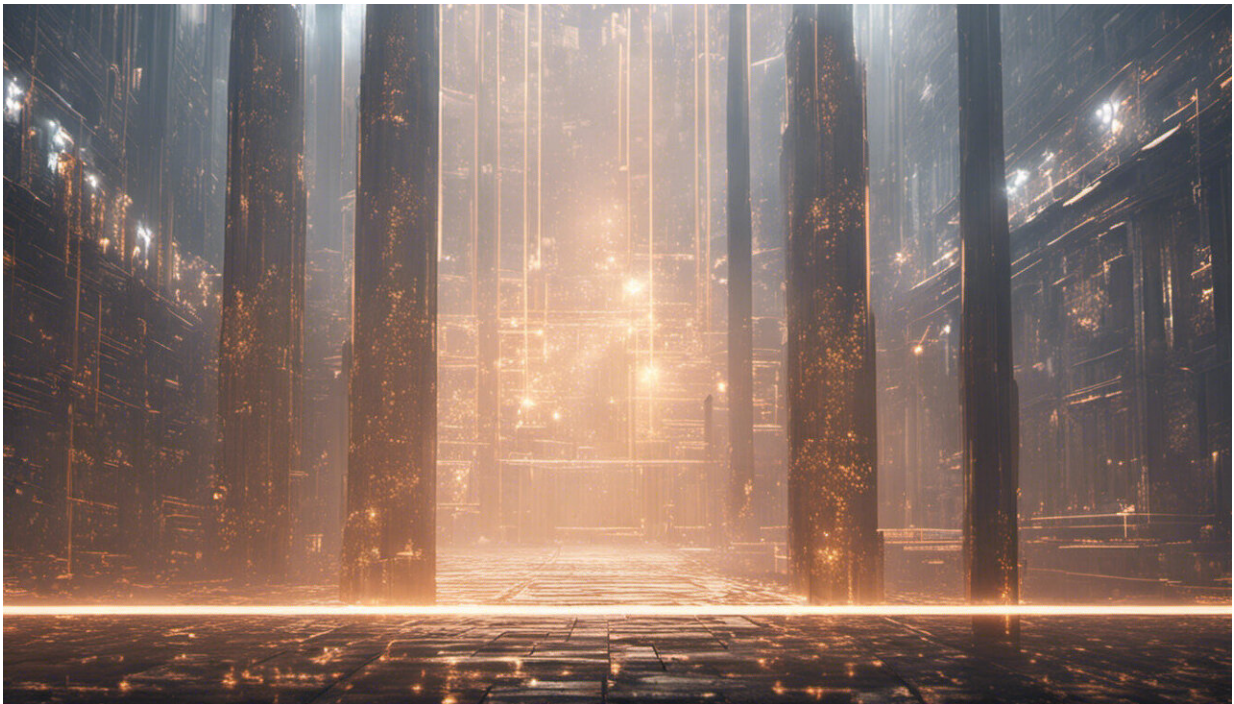


Why it makes good business sense to hire people with disabilities

August 9 2021, by Catherine E. Connelly, Sandra L. Fisher



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Managers sometimes assume that hiring employees who live with disabilities will be more expensive. [They worry](#) that these employees will perform at a lower level, be absent more often, need expensive accommodations and will then quit.

But should [managers](#) worry about these things?

[We present a way](#) for managers to evaluate both the net costs and benefits of having employees with disabilities, and we consider all these factors. When [we tested](#) our method at one [company](#), we found that it actually saved money by hiring people with disabilities.

To calculate the net value of employing people with disabilities, companies can run what is known as a [utility analysis](#) that takes into account [direct costs](#) associated with wages, benefits, training and [accommodation](#). It also considers indirect costs such as turnover and absences.

Direct costs are easily tabulated, but [indirect costs](#) are based on industry estimates.

For example, turnover costs can be estimated as one to 2.5 times the annual salary of the worker who leaves, depending on how lengthy the search is for a replacement and how much on-boarding is required. These costs are balanced against the value provided by the employees, taking into account employee performance evaluations and pay rates.

Disabled employees were more productive

A food services company that runs hospital cafeterias and university food courts allowed us to analyze their internal data for one department with 46 employees. [Our analysis](#) suggests that this unit had \$108,381 in added value that year by hiring employees with disabilities.

The employees with disabilities at this company performed at a slightly higher level compared to their counterparts without disabilities. Only 56 percent of the non-disabled employees had average or above-average performance, but all the employees with disabilities met this standard.

Similarly, the non-disabled employees had an average of 6.5 absences per year, but workers with disabilities had an average of only three absences over the same time period.

At this company, the employees with disabilities also had much lower turnover. In fact, none of the employees with disabilities left the company during the year of our study. In contrast, 18 percent of the non-disabled employees quit.

Managers sometimes [believe in false stereotypes](#) that employees with disabilities are unreliable and likely to quit, but in this company they were loyal and reliable. This is consistent with what we have learned from our conversations with managers at other companies.

Several managers gave us examples of employees with disabilities who were dedicated and committed workers once they had been given an opportunity and welcomed into the company. One chain restaurant executive, in particular, started hiring more workers with disabilities because he noticed that they were very unlikely to quit.

What might surprise some managers is that the costs of the accommodations for employees with disabilities were quite low. One employee, a chef, was deaf and could not hear food orders—so the counter staff would write them down for him. The company estimated that the cost of the paper and pens to do this was just five dollars.

Most of the other employees with disabilities only needed some scheduling flexibility to deal with medical flareups or appointments. This was easily provided and these accommodations were similar to those provided to everyone else.

Providing accommodations

Naturally, employees hired by companies will have varying disabilities. Information on how to provide accommodations is available from a number of sources, including the [Job Accommodation Network](#) and local community organizations like the [Gateway Association](#), the [Canadian Council on Rehabilitation and Work](#), the [Neil Squire Association](#) and the [March of Dimes](#). Businesses should also ask their employees what they need to be successful.

Although the accommodation costs in our example might sound unusually low, the typical costs of workplace accommodations tend to be lower than what managers expect. According to industry estimates, accommodations actually cost [less than US\\$500 in nearly 60 percent of cases](#), or about \$625 in Canada.

Why? A company may offer [modified duties or flexible schedules](#) to employees with disabilities. These are generally not expensive to provide.

And in instances where there is a price tag for an accommodation—for example, an ergonomic mouse or standing desk—these are often one-time [costs](#). More expensive investments, like wheelchair ramps, are rarer but can be amortized over several years.

Going beyond CSR

Many advocates for hiring people with disabilities focus on doing so to fulfill [corporate social responsibility expectations](#). We agree that corporate social responsibility is important, but the financial component is critical to highlight to business leaders.

Companies can use their internal [employee](#) data to develop a plan that supports equity, diversity and inclusion efforts when it comes to people with disabilities.

Job applicants who live with disabilities represent a largely untapped sector of the workforce—unemployment rates among these workers tend to be about double that of non-disabled workers, with comparable age and [education levels](#).

Managers who are seeking loyal employees who perform well should consider hiring people with [disabilities](#). It's a smart business strategy.

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