



Institute
for Work &
Health

Research Excellence
Advancing Employee
Health

Employer costs and benefits of accommodation: What is the evidence?

ESDC WebEx Presentation

Thursday February 25, 2016



Emile Tompa
Health & Labour Economist
Senior Scientist, Institute for Work & Health
Co-director, Centre for Research on Work Disability Policy
Associate Professor, McMaster University



Evidence summary from peer-reviewed and grey literatures

- Employers often raise concern about the cost of accommodations to recruit and retain workers with disabilities
- Evidence from the peer-reviewed and grey literatures overwhelmingly suggests that this fear is unfounded
- The types of accommodations requested and related costs are similar for people with and without disabilities
- Literature emphasizes employer (demand side) factors that need to be further developed – knowledge of best practices, attention to individualized needs, inclusive policies and culture





Measuring the Return on Investment (ROI) of accommodations

- Most studies have focussed on direct costs
- Need to consider the full range of costs and benefits

Direct costs: expenses incurred for accommodation products and services

Indirect costs: resources used in the process of making accommodations

Direct benefits: impact of changes on accommodated worker's productivity

Indirect benefits: spillover impacts on other workers and the organization

Important to view accommodation costs for workers with disabilities in the broader contexts of accommodating all workers' needs





Evidence from the Job Accommodation Network (JAN)

- JAN has collected data from employers from 2004 to present
- Interviewed over 2,000 employers over the 2004-2015 time period
- Sample includes a range of industrial sectors and employer sizes
- Key finding— benefits to employers of workplace accommodations far outweigh their costs
- Benefits include retention of valuable employees, improved productivity and morale, reduced workers' compensation and training costs, improved organizational diversity
- 58% of accommodations had no direct cost and remainder had average (one-time) direct cost of \$500





Top 3 direct and indirect benefits (JAN, 2015)

Direct Benefits	Percentage of respondents
Retained a valued worker	90%
Increased the worker's productivity	72%
Eliminated costs associated with training a new worker	60%

Indirect Benefits	Percentage of respondents
Improved interactions with co-workers	64%
Increased overall company morale	62%
Increased overall company productivity	56%



A WIN-WIN PROPOSITION: The Business Case for Actively Recruiting and Retaining People with Episodic Disabilities

Context: 4 Canadian case studies focused on people with episodic disabilities

Methods/Formula: Turnover costs saved + avoided penalties – accommodation costs + indirect benefits



Canadian
Working Group
on HIV and
Rehabilitation

Scenario	Tenure of Person	Turnover Costs Saved* and Penalties Avoided**	Accomm. Costs	Monetary Return
Tax Accountant with Multiple Sclerosis	12 years	\$77,500	-\$3,500	\$74,000 + indirect benefits
Admin Assistant with Arthritis	5 years	\$15,300	-\$3,400	\$11,900 + indirect benefits
Manager with HIV	15 years	\$86,500	-\$6,600	\$79,900 + indirect benefits
Security Officer with Major Depression	8 years	\$16,700	-\$300	\$16,400 + indirect benefits

* Derived using a turnover calculator provided by Drake International

** Value based on low end of Ontario Human Rights Commission and Tribunal decisions



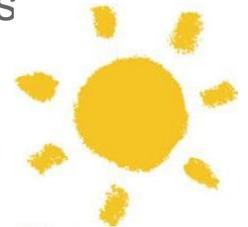
Study by Shur et al. (2014)

Context: Intensive case studies of 8 companies with survey of 5,000+ workers and managers

Methods: Analyzed accommodations for workers with and without disabilities — considered organizational costs & benefits as perceived by the accommodated worker, their coworkers, and their managers

Findings:

- Types of requests similar for people with/without disabilities
- Most common request is changes in work schedule
- Most accommodations have no or only small monetary costs
- 40% were zero, 25% less than \$500, and <10% had one time cost of \$5K
- Key benefits— improved productivity, retention and morale





Summary messages from Shur et al. (2014)

- Results consistent with prior evidence that most accommodations are inexpensive, and for most cases, monetary benefits exceed costs
 - Disability accommodations should be framed in the context of accommodations for all employees
 - Growing recognition among leading organizations of the generalized benefits of workplace accommodations
 - Findings suggest the importance of workplace culture as a facilitator of successful accommodation
- Research needed on how organizations develop and manage organizational structures to facilitate accommodation protocols across departments and managers





Recommendations (CWGHR, 2014)

1. Create and communicate the strategic decision to recruit and retain people with disabilities
2. Ensure buy-in at the executive level and across the organization
3. Set goals and objectives in line with business needs and measure results
4. Revitalize accommodation policies and plan the roll out of them
5. Throughout the process get expert advice

- Neil Squire Society (CA) <https://www.neilsquire.ca/>
- Lime Connect (CA/US) http://www.limeconnect.com/lime_canada/
- Ontario Disability Employment Network (ON) <http://odenetwork.com/>
- Canadian Business SenseAbility (CA) <http://www.senseability.ca/>
- Job Accommodation Network (US) <https://askjan.org/>
- JobAccess (AU) <http://www.jobaccess.gov.au/>
- Employer Assistance and Resource Network (US) <http://askearn.org/>
- Employment and Disability Institute (US) www.edi.cornell.edu





Some references

- Canadian Working Group on HIV and Rehabilitation. 2014. A Win-Win Proposition: The Business Case for Actively Recruiting and Retaining People with Episodic Disabilities. Toronto ON: Canadian Working Group on HIV and Rehabilitation.
- Hernandez B, McDonald K. 2010. Exploring the costs and benefits of workers with disabilities. *Journal Rehabil*,76:15-23.
- Job Accommodation Network. Original 2005, Updated 2007, Updated 2009, Updated 2010, Updated 2011, Updated 2012, Updated 2013, Updated 2014, Updated 2015. *Workplace accommodations: Low cost, high impact*. Retrieved Jan. 8 2016, from <http://AskJAN.org/media/lowcosthighimpact.html>
- Schur L, Nishii L, Adya M, Kruse D, B Bruyère SM, Blanck P. 2014. Accommodating employees with and without disabilities. *Hum Resour Manag*, Jul 53: 593-621.
- Schartz HA, Hendricks DJ, Blanck P. 2006. Workplace accommodations: evidence based outcomes. *Work*, 27: 345-354.
- Solovieva TI, Walls RT. 2013. Implications of workplace accommodations for persons with disabilities. [References]. *J Workplace Behav Health*, 28: 192-211.
- Solovieva TI, Dowler DL, Walls RT. 2011. Employer benefits from making workplace accommodations. *Disabil Health J*, Jan 4: 39-45.



**Institute
for Work &
Health**

Research Excellence
Advancing Employee
Health

www.iwh.on.ca

Emile Tompa
Senior Scientist
etompa@iwh.on.ca
416-927-2027 ext 2113