

The Business Case for Disability



EMPLOYING PEOPLE WITH DISABILITY*

INTRODUCTION

According to the recent Interim Report of the HREOC National Inquiry into Employment and Disability, employers have 'intangible fears' about employees with disability (EWD).¹ In particular, employers have three issues about EWD:²

- 'the absence of easily accessible and comprehensive information' to assist with decision-making and on-going needs;
- 'the costs of employing a person with disability'; and
- 'the financial and personal impact of participating in the workplace, especially if a job does not work out'.

It is true that the first issue (absence of relevant information) will only be properly resolved next year with the launch of a one-stop information shop in the form recommended by the Final Report of the National Inquiry when it is published at the end of this year (2005). But the Interim Report itself makes clear that research and information on all three issues do in fact exist to reassure employers.

The purpose of this fact sheet is to provide employers, including small businesses, with a summary of the research and information (often positive) regarding employment, disability, and the three

* The information in this Fact Sheet was taken from submissions and research reported in Chapter 2 of the Interim Report of *WORKability: the HREOC National Enquiry into Employment and Disability* (published 18 August 2005): 'Information needs, costs and risks for employers', pp. 11-36.

¹ Interim Report of *Workability: the National Inquiry into Employment and Disability* ("Interim Report"), p. 34 [2.9].

² Interim Report, p i.

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issues of most concern to employers. It is hoped that the fears of employers will be reassured by this information and research.

TYPES OF PEOPLE WITH DISABILITY

Employers say PWD always have 'severe mobility, sensory or intellectual disabilities', 'high on-going needs' and require 'substantial workplace adjustments'

In fact, the reality is that:

- Many people with disability **'do not require a great deal** of assistance of workplace accommodation';³
- 45% of PWD of working age (15-64 years old) **'will only need minor adjustments and supports** to participate in the workplace';⁴
- Only 22% of PWD of working age **'may need more significant supports** to participate in the workplace';⁵
- **'Depending on the disability and the job,'** not all persons with severe disability **'will require substantial workplace adjustments'**;⁶ and
- **'The vast majority'** of people acquire a disability at a time when they already have a job, which means that adjustments are **'more likely to be required to retain existing employees'**.⁷

ADVANTAGES OF EMPLOYEES WITH DISABILITY

Employers find no good reason to bother hiring PWD in their firm

In fact, the reality is that there are indirect and direct advantages of having employees with disability (EWD).

In short, your business will be better and stronger for having the capacity to employ people with disability.

³ Interim Report, p. 12 [2.2].

⁴ Australian Bureau of Statistics, *Disability, Ageing and Carers Australia* (4430.0, 2003), cited in Interim Report, p. 12 [2.2].

⁵ ABS, *Disability, Ageing and Carers Australia* (4430.0, 2003), cited in Interim Report, p. 12 [2.2].

⁶ Interim Report, p. 12 [2.2].

⁷ ABS, *Disability, Ageing and Carers Australia* (4430.0, 2003), cited in Interim Report, p. 13 [2.2].

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INDIRECT ADVANTAGES

- PWD, having the same spectrum of skills as people without disability, **increase the pool of people to employ**, important given reports of an imminent, acute skill shortage;⁸
- Adopting the practice of **good job matching**, that is, being careful to match the job to what a PWD can rather than can't do, will **increase the efficiency** of your business;⁹
- Similarly, adopting the practice of **being flexible** through a better workplace environment for all employees, makes your workplace better able to be flexible in relation to EWD;¹⁰
- **Employees may prefer** an employer with strong workplace diversity policies, reporting **increased satisfaction**;¹¹ and
- The benefits from **more careful staff training and supervision** in relation to EWD can include **improved overall productivity, workplace and customer relations**.¹²

DIRECT ADVANTAGES

- EWD display **higher levels of workplace safety, performance and retention**;¹³
- EWD are **absent less** than employees without disability;¹⁴
- Lower staff turnover;¹⁵
- **More diverse markets** can open up as a result of a more diverse workforce;¹⁶ and
- **Improved organisational performance**, probably as a result of the following:

⁸ Submissions of AI Group, Westpac, Regional Disability Liaison Officer and Disability Co-ordination Officer, cited in Interim Report, p. 13 [2.3].

⁹ J. Graffam, A. Shinkfield, K. Smith, U. Polzin, 'Factors that influence employer decisions in hiring and retaining and employee with a disability' (2002) 17 *Journal of Vocational Rehabilitation* 175, 180, cited in Interim Report, p. 13 [2.3].

¹⁰ Submission of the Disability Council of NSW; J. Graffam, K. Smith, A. Shinkfield, U. Polzin, 'Employer benefits and costs of employing a person with a disability' (2002) 17 *Journal of Vocational Rehabilitation* 251, 256-7, cited in Interim Report, p. 14 [2.3].

¹¹ HREOC Employer Fora; Submissions of the EOCV, Westpac and Qld Dept of Employment and Training, cited in Interim Report, p. 14 [2.3].

¹² J. Graffam, K. Smith, A. Shinkfield, U. Polzin, 'Employer benefits and costs of employing a person with a disability' (2002) 17 *Journal of Vocational Rehabilitation* 251, 256, cited in Interim Report, p. 14 [2.3].

¹³ Submissions of AI Group and Manpower; J. Graffam, K. Smith, A. Shinkfield, U. Polzin, 'Employer benefits and costs of employing a person with a disability' (2002) 17 *Journal of Vocational Rehabilitation* 251, 256, cited in Interim Report, p. 14 [2.3].

¹⁴ Submissions of AI Group, Australians for Diversity Employment, NSW Council for Intellectual Disability; studies at <http://www.diversityawork.com.au/disability/people/index/cfm>; P Tuckerman, 'From School to Where?' ACROD NSW Conference, 2003, cited in Interim Report, p. 14 [2.3].

¹⁵ Submission of Australians for Diversity Employment, cited in Interim Report, p. 14 [2.3].

¹⁶ Submission of EOCV, cited in Interim Report, p. 14 [2.3].

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- Discovery of substandard workplace processes;
- Greater morale and better co-worker and customer relations;
- Greater expectations and standards for all employees; and
- EWD can be a catalyst for change.¹⁷

COST OF WORKPLACE ADJUSTMENTS

Employers believe there is great financial cost in employing PWD

The reality is that:

- Workplace accommodations are **more likely** to cost only **hundreds** of dollars:¹⁸
 - In America, under the Job Accommodation Network ‘more than 70 % of accommodations cost less than US\$500’;¹⁹
- Accommodations may have **broad, permanent, and positive ‘flow on effects’** for other PWD ‘who are later employed at the same workplace’;²⁰
- Initial costs to a business may be recovered over time from **savings associated with EWD**, ‘such as job retention and lower maintenance costs’;²¹ and
- Government assistance packages minimise the costs of accommodation:
 - Workplace Modifications Scheme (for physical adjustments to the work environment)
 - Supported Wage System
 - Wage Subsidy Scheme
 - Disabled New Apprentice Wage Support scheme.²²

¹⁷ J. Graffam, K. Smith, A. Shinkfield, U. Polzin, ‘Employer benefits and costs of employing a person with a disability’ (2002) 17 *Journal of Vocational Rehabilitation* 251, 256-7, cited in Interim Report, p. 14 [2.3].

¹⁸ Interim Report, p. 18 [2.4.3].

¹⁹ Appendix B, HREOC Forum Minutes, Needs and options for improved access to information and advice on accommodating disability in employment, at

http://www.humanrights.gov.au/disability_rights_employment/jan_forum_rep.htm; J. Graffam, K. Smith, A. Shinkfield, U. Polzin, ‘Employer benefits and costs of employing a person with a disability’ (2002) 17 *Journal of Vocational Rehabilitation* 251, 252, cited in Interim Report, p. 18, [2.4.3].

²⁰ Submission of NSW Disability Discrimination Legal Centre, cited in Interim Report, p. 23 [2.5.2].

²¹ J. Graffam, K. Smith, A. Shinkfield, U. Polzin, ‘Employer benefits and the costs of employing a person with a disability’ (2002) 17 *Journal of Vocational Rehabilitation* 251, 257, cited in Interim Report, p. 21 [2.5].

²² Interim Report, pp. 21-28 [2.5].

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LEGAL CONCERNS

Employers fear that EWD are associated with higher risks of litigation, insurance premiums, unfair dismissal, workers compensation and discrimination claims

The reality is that:

- 'There is **no evidence** that workers with disability have **higher workplace accident rates**';²³
- 'Employees with disability **cost marginally less** in terms of safety and insurance costs';²⁴
- 'The concern to avoid unfair dismissal, OH&S and discrimination claims **applies to all employees**';²⁵
- '[W]hile the *Disability Discrimination Act 1992* protects against unlawful discrimination, it does not require an employer to hire somebody who cannot do the job'.²⁶

SOURCES

This fact sheet was substantially drawn from submissions and research reported in Chapter 2 of the Interim Report of *WORKability: the HREOC National Enquiry into Employment and Disability* (published 18 August 2005): 'Information needs, costs and risks for employers', pp. 11-36.

J. Graffam, K. Smith, A. Shinkfield, U. Polzin, 'Employer benefits and costs of employing a person with a disability' (2002) 17 *Journal of Vocational Rehabilitation* 251.

J. Graffam, A. Shinkfield, K. Smith, U. Polzin, 'Factors that influence employer decisions in hiring and retaining and employee with a disability' (2002) 17 *Journal of Vocational Rehabilitation* 175.

P Tuckerman, 'From School to Where?' ACROD NSW Conference, 2003

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HREOC Forum Minutes, Needs and options for improved access to information and advice on accommodating disability in employment, at http://www.humanrights.gov.au/disability_rights_employment/jan_forum_rep.htm

Studies at <http://www.diversityawork.com.au/disability/people/index/cfm>

Various submissions to *Workability: the HREOC National Inquiry into Employment and Disability*.

²³ Submission of Brotherhood of St Laurence, cited in Interim Report, p. 31 [2.6.2].

²⁴ J. Graffam, K. Smith, A. Shinkfield, U. Polzin, 'Employer benefits and costs of employing a person with a disability' (2002) 17 *Journal of Vocational Rehabilitation* 251, 256, cited in Interim Report, p. 31 [2.6.2].

²⁵ Submission of Disability Council of NSW, cited in Interim Report, p. 32 [2.6.2].

²⁶ Interim Report, p. 32 [2.6.2].

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