



The Business Case for the Hiring of Persons with a Disability



Introduction

Employers want to see their businesses reach their full potential while remaining competitive. To do so, they must recruit and retain the best employees available. Moreover, employers must learn solutions and techniques to survive in a society undergoing rapid socio-economic changes.

In Canada, it is increasingly clear that the job market will face many changes in the coming decades. According to statistics, the Canadian population is aging and the baby boomers generation is gradually withdrawing from the job market. Whether by the arrival of immigrants or the number of young Canadians who will start working, there is no evidence that the number of potential workers will increase in the coming years¹. In New Brunswick, the challenge is just as important when we see the number of workers leaving the province to work elsewhere. In a word, the workforce is changing and employers should look at new methods to remain competitive. It is therefore essential to recognize the importance of a diverse workplace.

In this sense, individuals with a disability are a highly appealing option for employers. They actually constitute a workforce often ignored, overlooked and underutilized. According to Statistics Canada, and the 2012 Canadian Survey on Disabilities, persons with a disability represent approximately 12.3% of the working-age population (15 to 64) in the province of New Brunswick, which is approximately 60,000 people². This proportion is likely to increase with the aging of the population, as many disabilities develop with age³. There is no doubt that persons with a disability should not be overlooked by employers when hiring potential employees; however, businesses want to know if hiring this group is profitable and beneficial for their business. The following pages try to highlight The Business Case and why employers should hire persons with a disability by illustrating the benefits of including this pool of candidates in their workforce.

1. A new workforce

As has been previously mentioned, one of the main reasons why one should hire persons with a disability is the following: they are a skilled workforce. It is forecasted that the Canadian Labour Market is changing as well as the workforce available. In fact, many experts suggest a competition for future talent to come for employers world-wide. According to a study, in the following years, the most important corporate asset will not be technology, nor plant infrastructure. It will be the talented people, so-called human capital, which will become the most valued corporate resource. It will also be the resource in shortest supply⁴. It is clear that having skilled workers is related to the success of the

1Statistiques Canada. *La population active canadienne : tendances projetées à l'horizon 2031*, [Online], <http://www.statcan.gc.ca/pub/11-010-x/2011008/part-partie3-fra.htm> (Page consulted June 12th, 2014)

2Statistiques Canada. *Prévalence de l'incapacité chez les adultes, selon le sexe et le groupe d'âge, Nouveau-Brunswick, 2012*, [Online], <http://www.statcan.gc.ca/pub/89-654-x/2013001/tbl/tbl1.5-fra.htm> (Page consulted June 18th, 2014)

3Work Without Limits. *Employing People with Disabilities: The Business Case*, [Online], <http://www.workwithoutlimits.org/files/PDF/thebusinesscase.pdf> (Page consulted June 11th, 2014)

4 Buccigrossi, Joan, Charles Pfeffer and Marcus Robinson. (2003). *Business Case for Inclusion and Engagement*, WetWare Inc., Rochester (NY), [Online], http://workforcediversitynetwork.com/docs/business_case_3.pdf (Page consulted June 11th, 2014), p. 4.



company; however, it is becoming increasingly rare, and consequently, valuable. Employers can avoid this challenge by ensuring that their workforces are fully inclusive. In this sense, persons with a disability should not be ignored as prospective employees, specifically if an employer can recognize their potential. The equation is simple: employers seek qualified employees, and persons with a disability are skilled and nearly unexploited. Given that the population is aging and the proportion of persons with a disability is likely to increase, there is no doubt that hiring them is a great way to prepare for the future.

2. Economic reasons to hire persons with a disability

Even though the talent pool of persons with a disability is large, fears and questions about the costs of hiring persons with a disability persist. Indeed, for many employers, hiring a person with a disability may seem more costly than beneficial. They may think that these candidates are expensive on many levels, particularly in terms of accommodations, health and safety, and legal costs. However, the question arises as to whether the costs are actually *really* higher for this group than for other workers. This is what we will try to clarify in the following sections.

2.1. Accommodation costs

One of the major concerns employers have about the inclusion of persons with a disability relates to the accommodation costs. Interestingly, studies show that this price is relatively low. According to experts, the average cost is between \$0 and \$600, which is very little when one knows what the employee can bring in terms of profits⁵. Buying adaptive equipment for the person or making changes in the working hours are methods used to accommodate. In most cases, persons with a disability can accommodate themselves by developing techniques or finding solutions while working⁶. Also, most of them have in their possession their own personal accommodations (e.g. Hearing aids, a wheelchair, etc.). Finally, we can add that the costs are very low when one considers the profits that the individual will generate for the business on a long-term basis, specifically if the accommodation(s) put into place increase the productivity and efficiency of the employee.

2.2. Health and safety costs

Another concern businesses might have is in regards to the costs related to the health and safety of their employees. At first glance, many employers believe that these costs are higher for an employee with a disability; however, studies show that the expenses related to

⁵These numbers represent an average of several studies on the average cost of accommodations.

⁶The Conference Board of Canada. (April 2013). *Leveling the Playing Field- Attracting, Engaging, and Advancing People with Disabilities*, [Online], <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1292&context=edicollect> (Page consulted June 9th, 2014), p. 11.



health and safety are similar...if not lower than it is for other employees.⁷ Therefore, there is no connection between the disability itself and the costs related to the health and safety of the staff. Numerous studies offer evidence that a person with a disability does not have more accidents nor file workers' compensation claims with any more frequency than their counterparts without a disability⁸.

2.3. Legal and related costs

One last concern employers might have when hiring persons with a disability regards the legal costs. This refers to the potential conflict between the individual and the employer that may occur due to a lack of accessibility, accommodations, or due to an infringement of individual rights. Again, legal conflicts are not more likely to happen with an individual with a disability than with another worker⁹. If the employer takes the necessary steps in terms of accessibility and accommodations, the person does not cost more. When no cause of legal dispute exists, the individual will not and cannot generate legal costs.

3. Benefits

Now that we are aware of the costs related to hiring persons with a disability, it is necessary to see what they can bring to an organization. This will allow employers to realize the many benefits resulting from the inclusion of persons with a disability in their businesses.

3.1. Higher performance and productivity

When it comes time to hire, it is clear that employers want to know if persons with a disability are as efficient and productive as other employees. The truth here is that they are not necessarily better in terms of production and performance, but that they are at least equal, if well integrated.

DuPont, in a study made with employers, found that persons with a disability have an efficiency rate of over 90% in terms of job performance and that they were equivalent to employees without disabilities for performance of job duties¹⁰. Another study from DePaul University (2007) points out that employees with disabilities are as competent and efficient as other employees.¹¹

⁷ *Ibid.* p. 11.

⁸ *Ibid.* p. 11.

⁹ *Ibid.* p. 12.

¹⁰ Kootenay Career Development Society. *Why hire people with disabilities? Support for employers*, [Online], http://www.kcads.ca/wp-content/uploads/2010/12/Disabilities_Support_For_Employers1.pdf (Page consulted June 9th, 2014), p. 5.

¹¹ Work Without Limits. *op.cit.*



Walgreens' management analyzed a total of 18 locations in three distribution centers and found that the productivity rate was similar for individuals with and without disabilities. The same study shows that the rate was slightly higher for persons with a disability in more than 50% of the distribution centers¹². In addition, persons with a disability have the qualifications, experience and skills, like their counterparts and like everybody else these differ from each other. The result: a diverse workforce.

3.2. Improved work attendance rates and good safety ratings

Another aspect to consider when integrating persons with a disability is their excellent performance in terms of safety and attendance. According to a report from DuPont, 97% of workers with a disability had an average or better safety rating, and 86% of employees with a disability had an average or better rate of work attendance¹³. According to various sources, these candidates generally have an absenteeism rate similar to or lower than other employees.

3.3. Turnover rates reduced

One of the most important problems a company may face is staff turnover and retention of its employees. A high employee turnover can be very costly in economic and human terms. A company retaining its employees can save considerably in terms of recruitment and orientation. The loss of an employee and the replacement thereof may cost between \$10,000 to hundreds of thousands of dollars, depending on the position and therefore it is essential for managers to retain their staff¹⁴.

In this regard, the hiring of persons with a disability can become a more relevant option for a company looking to retain employees longer and avoid unnecessary expenses related to staff turnover. Studies clearly show that persons with a disability retain their jobs longer and therefore have a higher retention rate than other employees. A study completed by Pizza Hut in the United States illustrated that retention rates for their employees with a disability were 22% higher than the average for all employees¹⁵, while a Deloitte study increases this rate to 72%¹⁶. The Marriott Corporation adds that the turnover rate of persons with a disability is only 6%, while it is 52%

12 Gouvernement du Canada, Ressources Humaines et développement des compétences. (2013). *Repenser l'incapacité dans le secteur privé: nous avons tous des capacités, certaines sont seulement plus apparentes que d'autres : rapport du Groupe de travail spécial sur les possibilités d'emploi des personnes handicapées*, [Online], http://epe.lac-bac.gc.ca/100/201/301/liste_hebdomadaire/2013/electronique/w13-05-U-F.html/collections/collection_2013/rhdcc-hrsdc/HS64-21-2013-fra.pdf (Page consulted June 11th, 2014), p. 17.

13 North East Community Partners for Inclusion. (November 2005). *Guide to Hiring Persons with Disabilities for Saskatchewan Employers*, [Online], http://www.garytinker.ca/media/pdf/Employer_Guide.pdf (Page consulted June 12th, 2014), p. 8.

14 The Conference Board of Canada. (April 2001). *Tapping the Talents of People with Disabilities- A guide for Employers*, Ontario, p. 8.

15 Kootenay Career Development Society. *op.cit.* p. 5.

16 Deloitte. (July 2010). *The road to inclusion: Integrating people with disabilities into the workplace*, [Online], http://www.deloitte.com/assets/Dcom-Canada/Local%20Assets/Documents/About%20us/Diversity/ca_en_dialogue_on_diversity_v2_080710.pdf (Page consulted June 9th, 2014), p. 4.



for other staff members¹⁷. Washington Mutual increases this ratio to 8% for those with disabilities, against 45% for other employees¹⁸. In this sense, there is no doubt that hiring of these candidates is a very interesting solution for those employers seeking to reduce their turnover rate and to retain their employees longer.

3.4. Innovation and capacity to adapt

Undeniably, despite the many benefits that exist for hiring people with disabilities, one of the best reasons to include them in your hiring is their impressive ability to adapt and their great innovation skills. They have a tremendous capacity to adapt and are easily able to find solutions and adjust to situations and obstacles, as this is part of their daily lives

On the same note, persons with a disability are also employees that can enable an organization to achieve significant progress in innovation. As has been pointed, these people face daily challenges which forces them to think differently. Business-wise, this means a company can avoid having a homogeneous staff, and thus promote a workforce open to change and progress. Persons with a disability introduce new ways of thinking, innovative perspectives and creativity. An innovative organization that adapts easily to changes manages to better serve its customers by offering the best services and products.

4. Work group performance

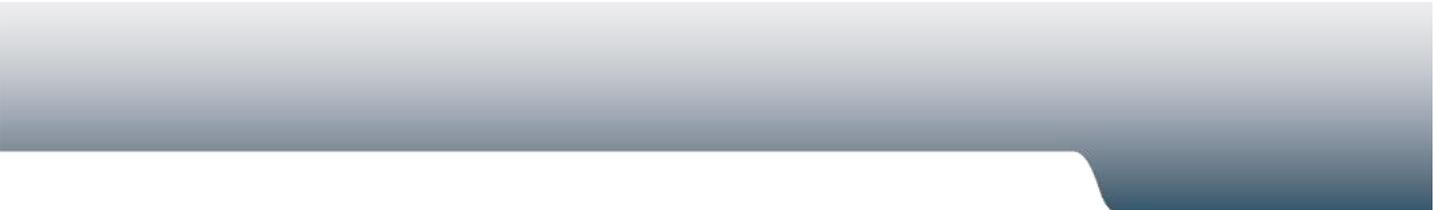
When trying to establish *the Business Case* for the inclusion of persons with a disability in the workforce, it is important not to overlook the impact that persons with a disability have on other employees. In fact, for the hiring to be beneficial to the business, their presence must not disrupt others. Therefore, it is important to consider their impact on the work environment and to ensure that the inclusion persons with a disability does not increase conflict, reduce cohesion, complicate internal communications, nor hamper coordination within the team.

One must recognize how persons with a disability and a diverse workforce bring a positive impact. First, the advantage of having a diverse working group is that it can promote different points of view and force all employees to be more creative and innovative. In short, the arrival of persons with a disability in the workplace makes the whole team more open to change and development. Moreover, studies show that the arrival of persons with a disability increase the overall company's morale and productivity, while improving the interactions with the customers¹⁹. Finally, it is important to note that they do not cause more conflicts nor communication problems throughout the workplace, especially if employees are well trained and open to diversity and inclusion in the workforce.

¹⁷ Gouvernement du Canada, Ressources Humaines et développement des compétences. (2013). *Repenser l'incapacité dans le secteur privé: nous avons tous des capacités, certaines sont seulement plus apparentes que d'autres : rapport du Groupe de travail spécial sur les possibilités d'emploi des personnes handicapées*, [Online], http://epe.lac-bac.gc.ca/100/201/301/liste_hebdomadaire/2013/electronique/w13-05-U-F.html/collections/collection_2013/rhdcc-hrsdc/HS64-21-2013-fra.pdf (Page consulted June 11th, 2014), p. 18

¹⁸ *Ibid.* p. 17.

¹⁹ North East Community Partners for Inclusion. *op.cit.* p. 11.



5. Public image and reputation

If a company wants to attract loyal customers, while promoting the development of good relations, it must have an impeccable public image and a good reputation. In this regard, the inclusion of persons with a disability in the workforce can greatly improve both the public image and the reputation of an organization.

A company that adopts a vision focused on inclusion can reach diverse and smart customers. Employers who hire workers with a disability can get to raise the goodwill of their business and the corporate image thereof. According to a study made by the *Center for Social Development and Education* from the University of Massachusetts in Boston (2005), 92% of consumers say they are more favorable to do business with companies that have inclusive values, and that are managed by open and fair employers²⁰.

Moreover, one of the most profitable aspects of hiring persons with a disability is that it promotes universal access. In fact, it shows that the company is open to diversity and inclusion. If an organization makes accommodations for an employee with a disability, this can be beneficial for other employees and also for customers alike. For instance, when a company installs automatic doors, it is not only positive for employees with a disability, but also for other employees and customers carrying loads or objects. Therefore, many accommodations can be both useful for the employee with a disability, but also for all.

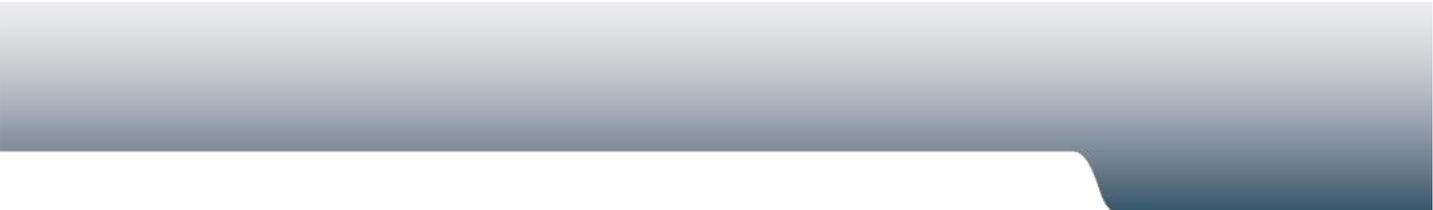
6. Financial incentives

Of course, for an organization advocating the inclusion of persons with a disability, there are obviously costs and benefits. We can also add that there may be other financial incentives when hiring a person with a disability. There are many programs and services assisting employers who hire these individuals. Whether it is at the federal or provincial level, employers are encouraged to learn about the programs available in order to benefit from them.

The provincial and federal governments have invested in the promotion of minority groups in the workplace. Among other things, during the *Economic Action Plan of 2012*, the Canadian government invested \$30 million in funds available for small and medium enterprises to assist them when they hire persons with a disability²¹. The federal government offers a program supporting individuals with a disability who are unemployed and employers who want to hire them. The *Opportunities Funds for Persons with Disabilities of Canada* provides

²⁰Work Without Limits. *op.ci*

²¹Gouvernement du Canada, Nouvelles. *Le gouvernement du Canada aide à sensibiliser les employeurs au potentiel des personnes handicapées*, [Online], <http://nouvelles.gc.ca/web/article-fr.do?nid=723199> (Page consulted June 12th, 2014)



financial assistance to cover part or all costs related to salary, equipment or facilities necessary for employees with a disability²². Web site: <http://www.servicecanada.gc.ca/fra/fi/index.shtml>.

In New Brunswick, through the *Workforce Expansion Program*, the provincial government provides a wage incentive to employers who hire from groups who face barriers to employment. These eligible workers must meet specific criteria and must be hired full-time and have regular hours (minimum 30 hours per week) in a private sector or non-profit company. Also, to receive the wage subsidy, the individual must also be unemployed when hired. The New Brunswick government, to promote inclusion, provides a temporary refund of 70% instead of 50%, for a minimum period of up to 24 weeks²³ for persons with a disability. Employers can complete an online form to request the wage subsidy. For more information, see the following Web site: http://www2.gnb.ca/content/gnb/fr/services/services_renderer.6935.html.

7. The consumer market

As shown by statistics, persons with a disability are not only a workforce often ignored and underutilized, but also a large proportion of Canada's working age population. . What does this mean economically? Because their number is continuously growing, the purchasing power of persons with a disability is becoming increasingly important. As emphasized by the Royal Bank of Canada, their purchasing power is now estimated to be over \$25 billion. They also can influence the spending decisions of their friends and families and in doing so, at least double their economic reach²⁵. Therefore, including persons with a disability in the workforce improves the economy and it may also have a great influence on their families and friends purchasing decisions. Companies that support inclusion may benefit in attracting consumers who have disabilities, their families, and others who have similar values to impact their consumption choices.

8. Human Rights

A final argument that some employers may consider in hiring persons with a disability is the respect for human rights. For some, respecting human rights and promoting values such as equality, diversity and inclusion are valid reasons to hire them. We can therefore say that there is a legal argument in the promotion of this group in the workforce. Among others, one can refer to the *Employment Equity Act* which

²² Gouvernement du Canada, Service Canada. *Financement : Fonds d'intégration pour les personnes handicapées (FI)*, [Online], <http://www.servicecanada.gc.ca/fra/fi/index.shtml> (Page consulted June 12th, 2014)

²³ Gouvernement du Nouveau-Brunswick, Éducation postsecondaire, Formation et Travail. *Bonification salariale à l'employeur - Accroissement de l'emploi*, [Online], http://www2.gnb.ca/content/gnb/fr/services/services_renderer.6935.html (Page consulted June 12th, 2014)

²⁵ The Conference Board of Canada. (April 2001). *op.cit.* p. 8.



states that federally regulated organizations need to identify and eliminate barriers to minority groups, which includes persons with a disability²⁶. Recruiting persons with a disability and other minority groups shows that employers promote non-discriminatory practices, while conveying values based on human rights. From the perspective of human rights, it is necessary to understand the importance of setting values such as equality and accessibility.

Conclusion

While there are some arguments more convincing than others, it is up to the employer to capture the actual benefits and to fully understand the Business Case for hiring a person with a disability. It must be kept in mind that hiring individuals with a disability is much more than the right thing to do morally, but can be economically beneficial for the organization. Of course, one cannot force an employer to hire this group, but by forging strong and compelling arguments, it is possible to demonstrate the potential of recruiting these individuals and remaining open to diversity and inclusion. In short, the goal of the business case, for the most part, is to find the right employee for the right job. The business case for hiring persons with a disability demonstrates that a person with a disability can be the right person for the right job!

For further information, please contact the New Brunswick Employer Support Services (NBESS). The NBESS offers free services to employers through consultations, presentations and training.

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²⁶ Deloitte. *op.cit.* p. 3.

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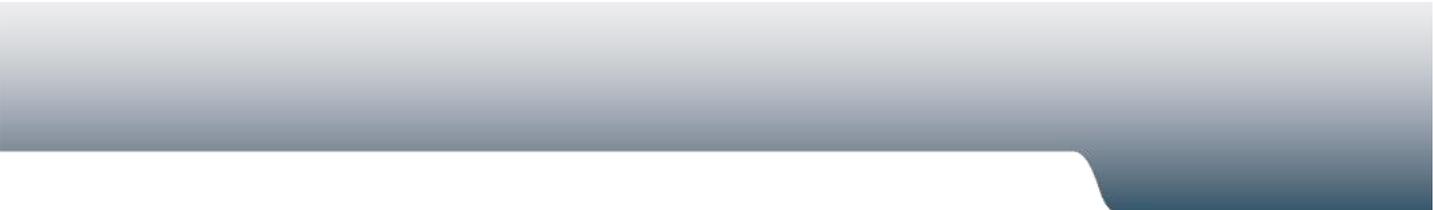
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