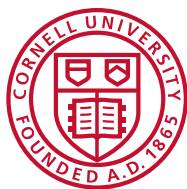




What Works? How Federal Contractors Are Implementing Section 503

Executive Summary

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Executive Summary

In September 2013, The Office of Federal Contract Compliance Programs (OFCCP) published the final rule making changes to the regulations implementing Section 503 of the Rehabilitation Act of 1973, as amended (Section 503). In March 2014, new regulations went into effect, setting new requirements for federal contractors and subcontractors, related to non-discrimination and affirmative action in the employment of qualified individuals with disabilities. For example, contractors now are required to offer applicants and employees the opportunity to self-identify as a person with a disability and further to use the data collected to understand their progress toward a 7% utilization goal for employment of individuals with disabilities.¹

This survey is part of a larger project entitled “Initial Impact of Section 503 Rules: Identifying Effective Employer Practices and Trends in Disability Violations among Federal Contractors” funded by the US Department of Labor, Chief Evaluation Office. The overall goal of this proposed project is to understand the initial impact of these regulations on employer practices and consequently on the employment environment for individuals with disabilities. The purpose of the survey summarized in this report is to build an understanding of contractor disability-inclusive policy/practice in initially responding to Section 503 regulations. The survey is titled: *What Works? How Federal Contractors Are Implementing Section 503*, and is referred to as *Section 503 Survey* in this report.

The Cornell team collaborated with two organizations composed of federal contractors: the National Industry Liaison Group (NILG) and DirectEmployers. These organizations provided input into the survey instrument and supported survey distribution to their membership. The survey development process was iterative, and included extensive feedback from a broad range of stakeholders, including the business and the disability advocacy communities. In addition, the Cornell team had conversations with OFCCP about the topics of greatest interest to them in informing their programing.

The online survey was programmed using the Qualtrics survey tool. The data collected was anonymous, although contractors did have an opportunity to provide their name and email address for access to participation incentives. The survey was promoted through a wide range of employer networks, launching September 7, 2017 and closing October 31, 2017.

Sample

The survey distribution approach used a convenience sample rather than a random sample from the federal contractor population. This limits our ability to generalize to contractors nationally. However, we believe that even if the sample is not fully representative of the population of contractors, that the analyses still support not only OFCCP and federal contractors in implementation of Section 503, but are also relevant to federal, state, local, and private (non-

1 See www.dol.gov/ofccp/regs/compliance/section503.htm for further information.

contractor) employers who are interested in good disability inclusion practices.

A total of 235 respondents were included in the analysis. Most organizations were multiple establishment organizations (82%), with the remainder being single establishment organizations (18%). Most of the multiple-establishment organizations used only establishment-based Affirmative Action Programs (AAP, 70%).

The characteristics of organizations illustrates respondent diversity; fewer than 10% of contractors were reporting for an organization/unit with fewer than 50 employees. The typical (or median organization/unit size) was in the 2,000 to 4,999 range; close to a quarter of respondents were in firms with 20,000 or more employees (23.5%). The most common industry groups included Professional, Scientific, and Technical Services (accounting for 23% of the sample), followed by Manufacturing (14%), Health Care and Social Assistance (13%), Educational Services (11%), Other Services (except Public Administration) (10%), and Finance and Insurance (8%). Separate questions identified those in the high-tech sector (31%) and defense sector (14%).

Multiple establishment organizations were asked about the number of AAPs their organization maintained; most maintained several. With around 58% of the multi-establishment sample having between 2 and 49 AAPs, and 26% having 50 or more AAPs.

The respondents had job functions most commonly in the areas of EEO/Affirmative Action, Human Resources (HR), Compliance, Diversity, and Talent Acquisition/Recruitment. Forty-two percent of respondents had been with their organizations for more than 10 years.

A full copy of the survey text is available at DigitalCommons @ ILR: <http://digitalcommons.ilr.cornell.edu/edicollect/1360/>. A copy of the report is available at DigitalCommons @ILR: <https://digitalcommons.ilr.cornell.edu/edicollect/1361/>.

Results

Overall impressions of Section 503 implementation

Overall change in practice

The implementation of the recent regulations around Section 503 has led to changes in workplace policies and practices. Overall, about half of respondents felt their organization's policies or practices related to employing people with disabilities had changed "somewhat" or "to a great extent" as a result of the recent regulations. A minority (15%), felt that the Section 503 regulations had not influenced a change in policies or practices as a result (see Figure 1. below).

Implementing the recent regulations required significant changes for many contractors, and with those changes, some noted challenges. Slightly over 60% indicated that they had experienced challenges "to a great extent" or "somewhat" in implementing the recent Section 503 regulations (see Figure 2 below).

Almost half of contractors who responded to the survey were not sure or did not agree that there would be an increase in employment of people with disabilities in their organization as a result of the recent regulations. However, nearly 30% thought there would be an increase in disability representation in their organization (see Figure 3 below).

Figure 1. Respondent ratings of extent their organization/unit's practices and policies related to employing people with disabilities changed as a result of the Section 503 regulations (Table 1. below presents data in an accessible format)

Question Text: Overall, to what extent has your organization/unit's practices/policies related to employing people with disabilities changed as a result of the recent Section 503 regulations? N=206

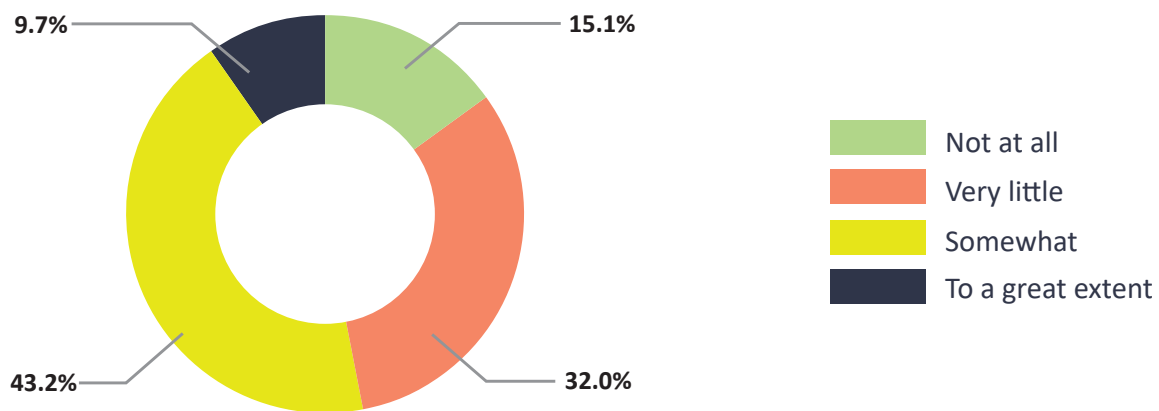


Table 1. Respondent ratings of extent their organization/unit's practices and policies related to employing people with disabilities changed as a result of the recent Section 503 regulations

Extent of change	Frequency	Percent
Not at all	31	15.1%
Very little	66	32.0%
Somewhat	89	43.2%
To a great extent	20	9.7%

Overall challenges

Figure 2. Respondent ratings of extent their organization/unit encountered challenges in implementing the Section 503 regulations (Table 2. below presents data in an accessible format)

Question Text: To what extent has your organization/unit encountered challenges in implementing the recent Section 503 regulations? N=201

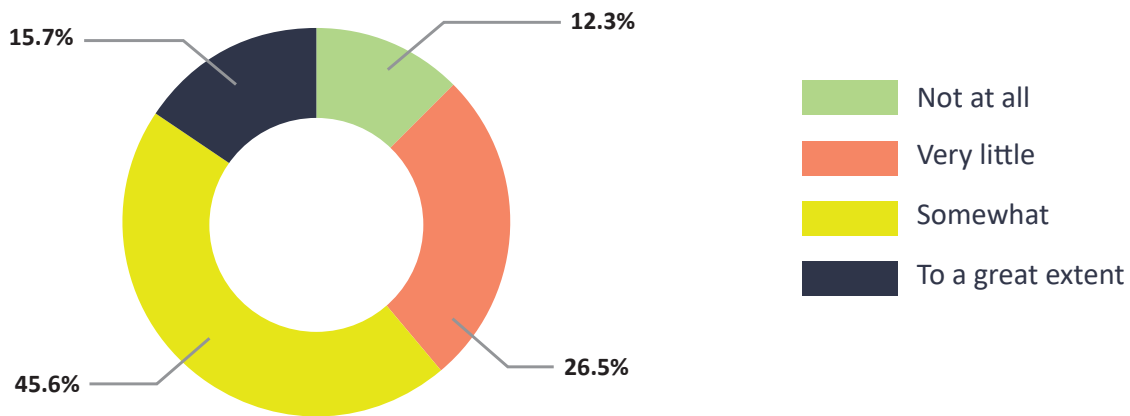


Table 2. Respondent ratings of extent their organization/unit encountered challenges in implementing the recent Section 503 regulations

Extent of challenges	Frequency	Percent
To a great extent	32	15.7%
Somewhat	93	45.6%
Very little	54	26.5%
Not at all	25	12.3%

Overall impact on disability employment

Figure 3. Respondent level of agreement with the following statement, "The Section 503 regulations will lead to increased employment of people with disabilities in my organization/unit" (Table 3. below presents data in an accessible format)

Question Text: Please rate your level of agreement with the following statement: "The recent Section 503 regulations will lead to increased employment of people with disabilities in my organization/unit." N=205

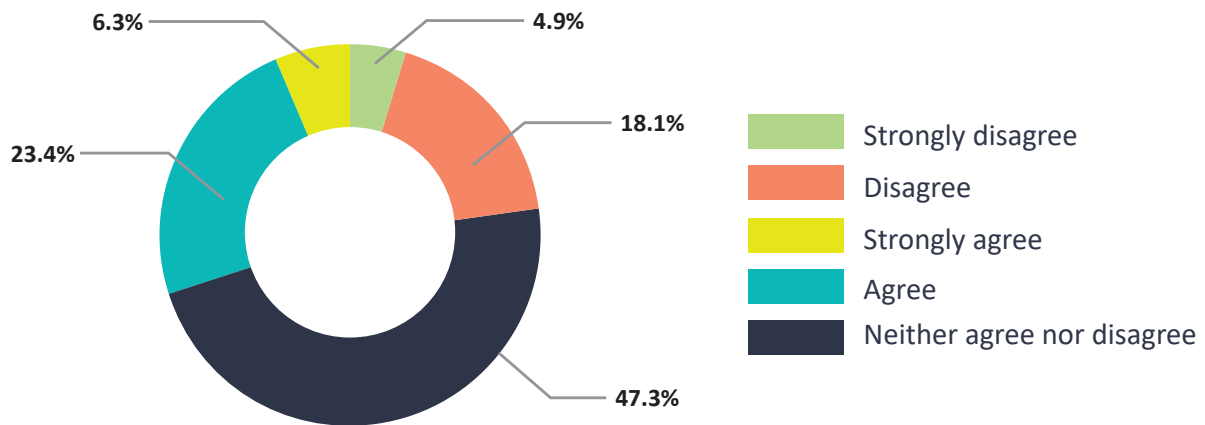


Table 3. Respondent level of agreement with the following statement, "The recent Section 503 regulations will lead to increased employment of people with disabilities in my organization/unit"

Level of agreement	Frequency	Percent
Strongly disagree	10	4.9%
Disagree	37	18.1%
Neither agree nor disagree	97	47.3%
Agree	48	23.4%
Strongly agree	13	6.3%

Specific policies and practices to facilitate employment and workplace disability inclusion

Findings from the survey coalesced results across five broad areas: 1) setting goals, 2) self-identification, 3) recruitment, 4) communication and training, and 5) accommodation and networking. Significant related information is included in the full report, with each of these five sections beginning with a summary of current contractor practices, followed by a summary of respondent responses on effective practice, and concluding with a summary of challenges noted by respondents in the particular area of focus.

Setting goals

Typically, an important first step in making changes in an organization is setting targets or goals. In general, respondents were more likely to have disability-related targets around self-identification and recruitment and hiring, and less likely to have targets related to retention and advancement of persons with disabilities. More than 80% of Section 503 Survey respondents had targets in place focused on increasing recruitment and hiring; but only about 60% had targets related to retaining and advancing employees with disabilities.

Self-identification

Disability self-identification data collection

As required by the Section 503 regulations, most respondents report that their organization has used the Self-Identification (Self-ID) Form to collect data on disability status (90.4%). Among organizations using the Self-ID Form, response rate for employees varied widely. About 37% said that more than 80% of their employees have completed the Self-ID Form. The typical organization (median value) fell into the category of 51-60%. However, a third of respondents indicated that 30% or fewer of their company's employees had completed the Self-ID Form.

The survey asked respondents what percentage of employees who had completed the Self-ID Form had identified as an individual with a disability. Relatively few (approximately 15%) reported meeting or exceeding the 7% utilization goal. Nearly half of respondents indicated that their organization/unit's disability self-identification rate was 2% or less.

How are organizations using the disability self-identification data?

Nearly nine out of ten survey respondents reported that their organization is either currently using (60%) or plans to use in the next 12 months (30%) the disability self-identification data to assess progress toward the 7% utilization goal. Similar proportions are either using (50%) or plan to use (37%) this data to gauge success in outreach and recruitment. Similarly, a total of 86% are using (51%) or planning to use (35%) this data to assess progress in hiring. Two thirds reported either using (27%) or planning to use (39%) it to assess progress in retention as well. About six in ten were either using (23%) or planned to use (38%) this information to review progress in advancement.

Self-identification: What works?

The contractors were surveyed about their use of common practices designed to increase self-identification. The most common practice was making self-identification form available when employees update personal information, with 57% offering this option. Next most common was annual communication to encourage self-identify (52%) and communication from organizational leaders (41%). Although less frequently done, a formal self-identification campaign (29%), spotlighting successful employees with disabilities (19%) and making self-identification part of the annual open enrollment process (16%) were rated slightly more effective than the more common practices. The highest scores for effectiveness were for formal self-identification campaign and spotlighting successful employees.

Other options recommended by respondents for improving self-identification rate were grouped into two main themes: 1) including the Self-ID Form in existing process and systems; and 2) improving communication around self-identification. Two key challenges in the self-identification process reported by contractors related to: 1) logistical challenges in using the self-identification form; and 2) building trust among applicants/ employees who were being requested to self-identify.

Recruitment

The ultimate intended outcome of the OFCCP Section 503 regulations and related 7% utilization goal is to increase employment opportunities for individuals with disabilities. This goal also affords federal contractors the desirable consequence of increasing the potential pool of qualified available talent to meet their workforce needs. Therefore, a critical first step in implementing Section 503 is to establish a talent pipeline of qualified candidates who are individuals with disabilities.

More than 75% of respondents indicated that their organization/unit had each of the following practices in place to create a talent pipeline of applicants with disabilities: partner with community organizations serving individuals with disabilities, post on disability-specific job boards, and ensure accessibility of online application forms to individuals with disabilities.

Fewer used federal/state/local government training and/or placement programs (51%) or partnered with disability services offices at colleges and universities (44%). Less than a third of organizations participate in internships or similar programs that target people with disabilities.

Recruitment: What works?

Additional comments by respondents about which recruitment practices they see as effective were categorized into four main themes:

- Demonstrating disability-inclusive culture
- Educating recruiters and managers
- Engaging with disability community and professionals to educate about their organization and its specific jobs
- Job boards, partnerships, and resources

Recruitment: Challenges

Open-ended responses to challenges in implementing Section 503 that related to recruitment and outreach to build a talent pipeline were grouped into five main themes:

- Encouraging commitment to disability hiring within the organization
- Building and maintaining effective partnerships with community organizations
- Finding candidates who are a good match to jobs
- Concern that people with disabilities are not a fit for certain types of jobs
- Tracking outreach and recruitment efforts for reporting purposes and to assess outcomes

Communication and training

A strategy for communication about the recent regulations and more broadly about disability inclusion in the workplace has the potential to improve implementation of the regulations. Respondents answered questions about communication and training practices that they currently have in place. While more than 95% have disability in the organizational Equal Employment Opportunity (EEO) statement, fewer were implementing internal communication campaigns related to disability (53%), training managers (60%) or recruiters (62%) on disability issues, or providing disability awareness training for employees (51%).

Communication and training: What works?

Open-ended responses to which communication strategies used were viewed as effective in recruiting were grouped into two main themes:

- Communication campaigns and messaging
- Training related to disability

Communication and training: Challenges

Open-ended responses to challenges in implementing Section 503 that were related to communication and training included four main themes:

- Communicating importance of disability initiatives across the organization
- Engaging managers and recruiters
- Getting training initiatives off the ground
- Current initiatives not working

Accommodation and networking

Creating a supportive environment for employees (with and without disabilities) can increase employee retention, an important goal for employers. The accommodation and networking practices designed to support and retain workers with disabilities were somewhat less common than the recruitment and communication practices presented earlier. One exception is having a formal process for accommodation, which 83% of organizations/units had implemented. Only about a third of organizations/units reported having the following practices in place: a designated budget for accommodations, mentoring program, or a disability- focused employee resource groups (ERGs).

Accommodation and networking: What works?

Open-ended responses to what is effective in supporting employees with disabilities were organized into four main themes:

- Creating an accommodating workplace
- Designated staff for disability-related matters
- Using data to understand needs and what works
- Utilizing disability employee resource group

Accommodation and networking: Challenges

Two predominant areas identified in open-ended responses about challenges in supporting employees with disabilities were: retaining workers with disabilities, once hired; and starting a disability-focused ERG.

Summary

In the brief three-year time since the initiation of the recent Section 503 regulations, the results of this survey suggest that they have already had an important impact. Respondents to this survey of federal contractors report that their organizations have been setting targets/goals around the recruitment, hiring, retention and advancement of people with disabilities. Further, they are collecting data to understand progress toward their targets/goals including the 7% utilization goal, with a small proportion already meeting that goal. Despite challenges with implementation, contractors are responding to the regulatory changes by implementing disability inclusive policies and practices, and many believe that these efforts will increase the employment of individuals with disabilities in their organizations – the ultimate objective of these Section 503 regulations.

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