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Feature

The Business of Employing People with Disabilities: Four Case Studies

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INTRODUCTION

The employment rate of adults with disabilities is far below the rate of adults without disabilities, hovering around 70 percent.¹ For the 30 years from 1970 to the present, women with disabilities, particularly those who are younger, experienced a larger increase in labor force participation rates than did women without disabilities. However, men with disabilities, especially older men, experienced a larger decrease in labor force participation rates than did men without disabilities. In addition, non-White people with disabilities fared worse than their White coun-

terparts, regardless of gender.² Researchers have established that the employment of persons with disabilities is related to short-term fluctuations in the demand for labor.³ In fact, the passage of the Social Security Disability Insurance program was delayed because of concerns that it might become a more costly and long-term substitute for short-term relief from poor employment conditions through such programs as unemployment insurance.⁴

The high unemployment rate among people with disabilities makes them an attractive target for businesses seeking to address labor supply shortages. But even during the tight labor market of the 1990s, people with

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disabilities did not share in the economic and employment opportunities that others did.⁵ This is not to say that people with disabilities who have been excluded from the labor market should only be considered as a second-string labor force, only to be tapped when labor shortages arise. Instead, we hope that this rising need for labor in the business community will lead employers to recognize the benefits of employing people with disabilities. In addition, in an era when corporate social responsibility as a concept and a buzzword has come to prominence, hiring people with disabilities would be an effective approach for CEOs wishing to contribute meaningfully to social welfare goals.

LITERATURE REVIEW

Labor economics and vocational rehabilitation have been the primary lenses for analysis of employment and disability. Income support, health insurance, and accommodations have received the most attention in this literature. Vocational rehabilitation research has focused on accommodations, as well as barriers to employment for people with disabilities. In both of these bodies of research, studies have not often explored the perspective of the employer.

LABOR ECONOMICS

The incentives people with disabilities face when seeking employment are often related to various income support programs. Studies on Disability Insurance (DI), a work-related insurance benefit through the Social Security system, find a negative association between benefit receipt and labor force participation.⁶ Relatively less has been written on the work incentives of Supplemental Security Income (SSI), a means-tested benefit for people with disabilities. It has been suggested that a larger number of people on SSI are working because the benefit level is so low;⁷ however, there is also evidence to suggest that those workers restrain their earnings, to continue to be eligible for benefits.⁸ While the issue is not clear-cut, there do appear to be

some disincentives to employment associated with these policies and programs. Public policy makers have already responded, trying to incorporate better work incentives into existing income support programs, although their effectiveness is still in doubt.⁹

In addition to monetary compensation, access to benefits plays an important role in labor market decisions. People with disabilities and those with chronic conditions have larger medical costs than those without disabilities or chronic conditions.¹⁰ However, workers with disabilities access benefits of all kinds at a lower rate than workers in the general population.¹¹ Most people with disabilities rely on public health insurance, and only one-third have some sort of private insurance.¹² In fact, those people with disabilities who have private insurance are more likely to be employed.¹³ Loss of health insurance in the form of Medicare and Medicaid is an oft-cited work disincentive among people with disabilities.¹⁴ As private health insurance is generally tied to employment, employers may see people with disabilities as costly to employ because of their higher healthcare costs; however, little is known about how employers perceive this issue.

A significant amount of research has been conducted on workplace accommodations after the passage of the Americans with Disabilities Act (ADA). Of the working population aged 18 to 69 years who have impairments, 12 percent receive accommodations, with variation based on impairment.¹⁵ While the cost of many accommodations is negligible or low,¹⁶ many employers lack knowledge of workplace accommodations resources¹⁷ or state vocational rehabilitation programs.¹⁸ The empirical evidence on the effect of the ADA on employment rates is mixed. While some studies have reported a negative effect of the ADA on the employment and wage rates of those with disabilities, attributed to fear of lawsuits or the cost of accommodations,¹⁹ other researchers have found no causal relationship when previous state antidiscrimination laws are taken into account.²⁰ Still oth-

ers attribute the decline in employment of people with disabilities to non-ADA factors.²¹ Further research is needed to account for the factors that influence employment rates, including how disability is defined, ADA enforcement, and perceived costs of ADA compliance, among other factors.²²

Businesses might be willing to accept higher costs for people with disabilities as employees if they could be guaranteed higher productivity. There is some evidence to support the view that people with disabilities are less productive, as measured by work hours and wage rates.²³ However, these might not be the best measures of productivity for people with disabilities, as lower wage rates may indicate wage discrimination rather than decreased productivity. There is also evidence from those companies that have tried employing people with disabilities that they are equally if not more productive than those without disabilities.²⁴

VOCATIONAL REHABILITATION

Research on the barriers to employment for people with disabilities in the vocational rehabilitation literature has focused on the perspective of the person with a disability, with particular attention being given to certain subsets of the disability community, such as those with multiple sclerosis,²⁵ sight impairments,²⁶ or mobility impairments.²⁷ Some Australian research has examined employers' attitudes towards people with disabilities as employees²⁸ and towards future hiring of people with disabilities.²⁹ Research in the United States has focused on employers' perceptions of the employability of different hypothetical employees with disabilities³⁰ and the characteristics that people with disabilities desire in a work environment.³¹

What is lacking in the research is an analysis of the decision-making processes of employers around disability and employment, particularly the barriers and benefits that employers perceive in hiring people with disabilities and the strategies that employers use to overcome barriers. The lack of knowledge

in these domains is evident in both the academic and business worlds. An examination of the Harvard Business School case catalog, by far the largest collection of business cases in the United States, revealed that there are only a handful of cases that focus on disability issues. Cases that focus on diversity or discrimination target other groups (for example, African-Americans, women) or types of lawsuits (for example, sexual harassment, age discrimination). This research study was an exploration of the business perspective on hiring people with disabilities, with a focus on the motivations of employers and best practices that might be employed by other businesses of a similar size or business sector.

METHODOLOGY

CASE SELECTION

Purposive sampling was used in this study, with the aim of maximal variation in the sample. We selected three firms of different sizes and from different sectors that have good track records of hiring people with disabilities. These businesses were selected because of the reputation they established with the Director of Vocational Rehabilitation Services at the Rehabilitation Institute of Chicago (RIC), a leading vocational rehabilitation organization in the country. We also wanted a range of experience, with special attention to the issues faced by small businesses. Thus, a small business with negligible experience was also selected through the Chicago Chamber of Commerce to provide that perspective. Four firms were chosen for this analysis:

- Aon Corporation, an international financial consulting firm;
- McDonald's Corporation, an international food service retailer;
- Arrow Messenger, a Chicago message service company; and
- Data Armor, a Chicago network management and technology support firm.

The characteristics of the four firms are described in table 1.

DATA COLLECTION

In-depth semi-structured interviews were conducted with multiple parties within the experienced businesses chosen, to provide a variety of perspectives on the topics to be discussed. Included in the interview participants were CEOs (chief executive officers) and other senior management executives, directors of Human Resources, hiring managers, recruiting specialists, and directors of Diversity and Inclusion. The focus of the interviews differed based on the party interviewed. From CEOs and other senior management, we asked questions regarding strategic planning around disability and workforce issues as well as the history of the company with regards to disability issues. For others, we were more interested in the "nuts-and-bolts" issues of best practices, and the challenges faced in managing employees with disabilities.

Interview questions were a mix of open-ended questions (for example, *What are the benefits of hiring people with disabilities?*), which were asked first in each section, and closed-ended questions, generated from preliminary propositions derived from the literature or our own thinking about the issues involved (for example, *Does your company make use of tax credit programs for employers of people with disabilities?*). The interview protocol was piloted with two individuals in human resources positions in companies that have also been recognized for their employment of people with disabilities. Questions

were modified and additional questions were added based on these mock interviews. Interviews were tape-recorded if consent was obtained from the interviewed parties; if not, the interviewer took detailed notes. The data collected consisted of interview transcripts, interview notes, and in some cases other documents (for example, a corporate social responsibility report). All participants signed an informed consent form prior to the interview.

DATA ANALYSIS

Qualitative data analysis began with the application of initial codes to the textual data. The codes represent themes that are present in the data, and in this study they were generated from initial propositions of the researchers or emerged from the responses of interview subjects. After the interviews were coded and the notes were completed, thematic categories were analyzed at the level of the case. Finally, the data were analyzed cross-case, and, after the data were synthesized, new propositions and theories were developed, similar to a grounded theory approach.³² The result was a series of themes and hypotheses that were testable using alternative research designs.

CASES

We consider the four cases below. The first three firms have extensive experience with people with disabilities (Aon, McDonald's,

TABLE 1 Characteristics of the companies selected as cases

Business	Sector	Employees		Experience
		U.S.	India	
Aon Corporation	Financial, insurance	47,000	n/a	Considerable
McDonald's	Food service	438,000	n/a	Considerable
Arrow Messenger	Message service	215	n/a	Considerable
Data Armor	Information technology	6	8	Negligible

Arrow Messenger); we examine their findings in more detail, focusing on the historical commitment of the company to hiring people with disabilities and the perceived benefits and barriers that respondents listed about hiring people with disabilities. Then we consider strategies the business has employed in hiring and accommodating workers with disabilities. The fourth firm, Data Armor, has negligible experience hiring people with disabilities. Their perspective was included because we desired to understand in more detail the perceived issues facing small businesses in the employment of people with disabilities, so we focus on those issues with this firm.

It should be noted that, although we asked the participating companies to provide information about employees with disabilities, they were not able to provide specific statistics because many employees choose not to disclose their disability to an employer, and employers will not know about a disability if a person is performing satisfactorily on the job and has not requested an accommodation. The individual cases that these companies shared with us were illustrative of their employees with disabilities; it was not a complete list. The three companies were active in RIC's Business Leadership Groups and Advisory Teams, which focus on hiring persons with disabilities. They actively participated in training sessions on this topic and provided training to other companies regarding employment issues, and they actively participate in recruiting efforts directly focused on hiring persons with disabilities. This convenience sample is not representative of all employers.

AON CORPORATION

Commitment. The commitment to hiring people with disabilities at Aon Corporation seems to stem from two major sources. First, respondents consistently noted the ex-CEO Patrick Ryan was an integral part of diversity and disability initiatives, stemming from his corporate social responsibility outlook and personal experience with family members with disabilities. Support of management

seemed to be crucial to the operationalization of diversity initiatives. The director of Diversity and Inclusion pointed to the Diversity Council at Aon Corporation, an organizational unit devoted to diversifying the workforce and keeping attuned to diversity issues. The Council's makeup is unique because its membership includes several senior management executives, including the CEO. This composition gives the Diversity Council authority to be the "door openers and obstacle removers" for the director of Diversity and Inclusion.

In discussions with all respondents, disability was folded under the general rubric of diversity, suggesting that a commitment to diversity overall reinforces and strengthens a commitment to disability in particular. Although Aon is a leader in its industry in terms of diversity, the insurance industry in which it operates has not traditionally been diverse. Several respondents noted that, in addition to a commitment from the top of the company, there was also recognition among employees and middle management that there was market pressure to diversify, to present a diverse face to clients and remain competitive. The legal counsel also cited the benefit of having a diverse "face" to present in various situations. It is unclear whether this type of market pressure is as present in other industries that lag in terms of diversity. However, it seems to be a driver in the commitment to diversity, including disability, at Aon Corporation.

Benefits. "*Diversity adds value to our organization.*" In response to the open-ended question about the benefits of having people with disabilities in the workforce, the most often-cited benefit was the "perspective" that it brings. The examples that accompanied this answer were the ability to tag new markets that members of minority groups may be more likely to know about and the benefit that perspective gives in the creative process in producing new insurance products. The former is a traditionally cited universal benefit to diversity while the latter may be more a function of the industry in which Aon operates,

where creativity and intellectual endeavors are important to improving the products it produces. Other spontaneously cited benefits included the loyalty of employees with disabilities, access to a pool of skilled workers, and the feeling of inclusion that having people with disabilities working engenders.

Barriers. The spontaneously cited barriers to hiring people with disabilities focused either on attitudinal barriers or qualities of applicants with disabilities. Attitudinal barriers were the most commonly cited; misconceptions about workers' productivity or costs of accommodations were the most prominent negative attitudes. These attitudes were most frequently attributed to hiring managers, who have the final say in hiring decisions. Another oft-cited barrier was the qualifications of people with disabilities. Because people with disabilities often have gaps in employment, due to a lack of educational access or discrimination, senior human resources recruiting specialists often felt it was difficult to make their case to hiring managers, who might have other qualified applicants without gaps in employment or certain skill sets. This, combined with the aforementioned attitudinal barriers, creates serious barriers for employment of people with disabilities.

Healthcare costs were never cited as a concern, and, when asked, nearly all respondents said that it was not a concern in hiring people with disabilities. The director of Human Resources for the central and northeast regions cited the difficulty in predicting who will be a health risk, whether disabled or not, while others attributed the lack of concern to the large size of Aon Corporation. Likewise, the cost of accommodations was not seen as a concern, as accessibility issues had been resolved shortly after the passage of the Americans with Disabilities Act and technology was increasingly making accommodations cheaper. Litigation was not a concern. It should be noted that there seemed to be differences between regions in terms of knowledge and awareness about disability issues.

Best practices. Several themes emerged from Aon respondents' answers about best practices in hiring and managing employees with disabilities. First, several respondents mentioned how important it is to be careful in hiring managers, both in the role they serve as people making the final hiring decisions and the group that is most likely to have attitudinal barriers to hiring people with disabilities. Suggested strategies included the following:

- Having senior management set a disability-friendly tone and company culture,
- Providing periodic curricular education on disability and business issues, and
- Creating strong partnerships between the human resources department and hiring managers.

Second, as a specific strategy involving the workplace proper, several respondents noted the importance of telecommuting and technology to accommodate employees with disabilities who might be better served by alternative work environments.

Case example: Telecommuting for employees with mobility impairments. The environment at Aon Corporation is accepting of technological innovations and a flexible workplace, adopting flexible schedules surrounding family and travel issues, job-sharing, and telecommuting. This culture helped create a suitable work situation for a manager with multiple sclerosis who had mobility issues and traveled in a personal motorized vehicle. This employee experienced some productivity problems in managing employees from home. His manager, working with human resources and the legal departments to make sure that all adequate procedures were followed, found a way to give this employee choices and accommodations that fit his unique situation.

Aon was in the process of eliminating outside consultant positions for tax reasons and replacing them with internal employees. This provided an opportunity to offer this em-

ployee the option of taking a nonmanagerial position at the same compensation that utilized his skills performing the duties that were previously performed by an outside consultant. The alternative would be to remain in his current position and come into work more often to be able to more effectively manage his employees. The employee selected the new position, as it often took him three hours to come into work, and he was more comfortable working at home. Aon was able to save money both by eliminating the outside consultant position and increasing the productivity of this employee, without harming employee satisfaction or compensation.

The manager handling this case suggested three lessons from this experience.

1. Accommodations need not be expensive, but they might require creativity and adaptation to the unique circumstances of the employee.
2. It is important to involve the appropriate departments (in this case, human resources and legal) who have more expertise in the area of employee relations than a given manager might.
3. It is important to keep interactions professional. Questions about disability and its relation to performance are not necessarily relevant, as the focus should be on working with the employee to create a situation where he or she can do his or her job.

MCDONALD'S CORPORATION

Commitment. A common theme among McDonald's respondents was the desire to integrate with and give back to the community. The company culture's accompanying focus on diversity has its roots in the 1980s, with the growth of corporate affirmative action programs and an understanding about diversity that those brought. The McJobs program, which was geared towards employing younger individuals with cognitive disabilities, was also initiated during this time, and the lessons learned from it were transferred

to general employment practices as the program was discontinued (although it still exists in some forms in certain locations). McDonald's actively lobbied other companies on behalf of the Americans with Disabilities Act, and their restaurant design group pays close attention to accessibility issues. They train employees on how to deal with customers with disabilities, which most likely assists in the management of employees with disabilities as well. According to an informal survey conducted by McDonald's in 1998, on average, each restaurant employed one worker with a disability. Thus, the employment of people with disabilities is also seen as key to good business and has a "very practical foundation."

Benefits. The most frequent response to open-ended questions about benefits was the loyalty that employees with disabilities bring to the company. Benefits to morale were cited, and two respondents also noted that employing people with disabilities would lead to a stronger society as a whole. In response to follow-up questions about the potential benefits to McDonald's of hiring people with disabilities, one respondent said that McDonald's does not highlight its practices in this area in its public relations campaigns. This was corroborated by the 2004 McDonald's corporate social responsibility report, which mentioned employing people with disabilities less frequently than other groups, such as ethnic minorities or women.

Barriers. "[Managers] are . . . the people that if there are any fears in the back of their minds that is where they are going to be. It is the folks working day-to-day in the trenches that . . . you really need to educate." "Any barriers that we have hiring people with disabilities are the barriers that we have hiring non-disabled people." A spontaneously cited barrier to the employment of people with disabilities was a lack of understanding of disability by middle managers. One respondent cited the lack of business knowledge among vocational rehabilitation counselors in match-

ing applicants to positions, either in not being aggressive enough in finding job openings at different restaurants (for example, two restaurants two blocks from each other might have vastly different hiring opportunities, due to the franchise nature of McDonald's) or not being responsive enough to requests for applicants and then sending too many mismatched applicants to fill positions. It is unclear why these practices by job counselors exist, although the same respondent suggested that it might result from pressure to "make a placement" even if the applicants might not fit the needs of the company. In follow-up questions on barriers, healthcare costs and accommodations costs were not described as concerns. The cost of accommodations was offset by the use of free resources such as the Job Accommodation Network (JAN), which provides free counseling on accommodations.

Best practices. Answers about best practices focused on abstract qualities such as open-mindedness, patience, and passion. This included resisting stereotyping people with disabilities, in a positive or negative way. In particular, respondents feared "overselling" people with disabilities, such that managers would set expectations too high, would not be able to adapt to the diversity of disability types, and then be disappointed by minor performance problems: *"I think we use . . . the model minority stories to sell the fact that you should hire a person with a disability, but I hope we never reach the point where we oversell it where if one doesn't work out people will say well I am never going to hire one again."* Communication between an employee with a disability and his or her supervisor is essential to success as well. Respondents also cited the importance of support from senior management and an understanding that making the correct match is more important than just making a placement. Aspects of the business, such as flexible hours and part-time work, make McDonald's attractive to people with disabilities and may be replicable in other business contexts. Finally, being a good service company requires McDonald's to accom-

modate customers, which fostered knowledge about accommodations that was also applicable to employees.

Case example: Communication between employees and managers. The Information Technology (IT) Services Group employs a sight-impaired programmer who has been with the company for over 10 years. When he was first employed, a number of accommodations were instituted, including a gravel pathway for his seeing-eye dog, which cost between \$1,000 to 2,000, but which could be used by other sight-impaired employees, and special software and hardware costing around \$10,000, that allowed him to perform his job duties more efficiently. Both the employee and management have been proactive in having regular discussions about the types of software and hardware that he will need in the future to continue in his capacity as a programmer. This has allowed any potential problems to be dealt with well in advance of any possible productivity problems. However, this is not to say that all accommodations have to be accepted. One accommodation, which involved a software license costing \$50,000 could not be justified. The open process of discussing these accommodations both with the employee and with labor representatives prevented any potentially confrontational situations from arising.

ARROW MESSENGER

Commitment. Arrow Messenger's commitment to hiring people with disabilities derives from the CEO. She became involved with the RIC through other charitable activities and was exposed to the employment side of RIC through interactions with doctors. Another respondent cited the importance of the CEO's gender as a contributing factor to her commitment to hiring people with disabilities. Being a woman in a male-dominated message delivery industry provides an understanding of the challenges involved in being a minority in the workplace.

Benefits. *"The benefits are clearly that if you make the right hire, if you hire a person*

that can grow and thrive in your environment, then you have a great employee." If the right match can be made, employees with disabilities are seen as a benefit to the business in which they are employed, just as any good employee would be. Arrow Messenger does not use the fact that they hire people with disabilities in public relations campaigns, and the CEO thought that doing so would not make any more sense than boasting about the high percentage of ethnic minorities working at the company. Perhaps potential clients do not necessarily look to diversity in the workforce as a significant factor in choosing a message service, whereas it might be a bigger factor in other industries.

Barriers. Spontaneously noted barriers to hiring people with disabilities included concerns about the cost of accommodations required by the ADA and the refusal of a job by an applicant because Arrow Messenger could not supply health insurance to all employees. Healthcare costs were not a concern because Arrow Messenger provides only limited coverage to certain employees and none to others.

Best practices. The primary advice Arrow Messenger interview subjects had about successfully employing people with disabilities is taking the time to understand the disability and how the individual can be integrated into the work environment. After developing this understanding, there must be some time committed to making the environment accessible for employees with disabilities. This process is aided by the assistance of nonprofit organizations that have experience with the disability of interest.

Case example: Partnering with outside organizations. A legally blind employee has been working at Arrow Messenger since September 2002 as a call center associate, taking orders from clients and typing information into a database. The Lighthouse for the Blind and Visually Impaired placed him with Arrow. Lighthouse had helped prepare him to re-enter the workforce and provided the ac-

commodations that he needed, which included a personal computer, larger text, and more contrast on his monitor. Lighthouse also advised Arrow on how it could make areas better lit and reduce congestion so the employee could navigate. This is an example of how a third-party organization can shoulder the cost of accommodations and provide information about dealing with sight-impaired employees, drawing on its own lengthy experience. In some ways, partnering with such an organization can serve as a proxy for knowledge within a company. However, if Arrow had not been receptive about employing an employee with vision impairment and dealing with his initial difficulties in typing proficiency, this placement would not have succeeded.

DATA ARMOR

Benefits and barriers. Although Data Armor lacks exposure to employees or even applicants with self-identified disabilities, they do see some potential benefits to hiring them. These included increased loyalty, skills specialization, and having an employee with an interest more in the job than in the income. Spontaneously cited barriers to hiring a person with a disability centered on unknown risks, in particular the legal issues surrounding the employment of a person with a disability, which was seen as involving "different rules." Knowledge of these rules would be provided by a human resources department, which does not exist at Data Armor. Another barrier is Data Armor's focus on survival. It faces no problems filling its positions, so there is no need to target other sources of employees.

Healthcare costs are not a concern in hiring people with disabilities, as Data Armor provides a flat monthly benefit for health insurance, with employees paying the balance. About half of the current full-time employees opt to receive health insurance. An employee with a disability would have the same choice as other employees, and this would not affect

profits for Data Armor. Costs of accommodations were a concern if they "involved something large like the restructuring of a bathroom." Although acknowledging diversity in types of disabilities, the interviewee's image of a person with a disability was someone who used a wheelchair. This stereotypical view likely results from limited experience with employees with disabilities. In addition, the jobs that would be available at Data Armor involve hardware support in clients' offices, which requires a great deal of mobility, moving between different downtown Chicago locations quickly, and, when in the office, lifting computer equipment and crawling on the floor plugging in cables.

Small business issues. There are several issues related to Data Armor's small business status that merit special attention. The first issue is that the Chicago Chamber of Commerce is the main source of information for business strategies or advice, and also serves as a central point for networking with other small businesses. Data Armor said that they would be receptive to information that comes through the Chamber of Commerce, so attempts to introduce the importance of disability concerns in the workplace might best target the Chamber of Commerce. The second issue is the concept that employment of people with disabilities is an obligation of larger companies that can afford to have human resources departments devoted to the "special issues" involved in hiring people with disabilities.

POLICY ISSUES

TAX CREDITS

"I do not like the idea of getting bribed to hire people with disabilities. It isn't necessary." Over the years, there have been and continue to be a variety of tax credits, such as the Work Opportunity Tax Credit, that are available to employers of people with disabilities. These credits are designed to reduce the cost of employing persons with disabilities or to

provide assistance in complying with the ADA. All of the respondents claimed either that their businesses did not use tax credits or that they did not know if their business used tax credits. One respondent went so far as to perceive tax credits as a form of bribery for employing people with disabilities, which was unnecessary. In the respondent's view, finding a good match between a qualified applicant, with or without disabilities, and the open job position was the most important aspect of the employment search. Several other respondents perceived tax credit programs as being too cumbersome or having too much paperwork to be adequately employed as a business strategy.

Given the evidence from the four firms in this study, it is possible that use of tax credits is not a necessary part of a successful strategy for employing people with disabilities. Since these companies hire people with disabilities without using tax credits, the net costs are not so onerous that a tax credit is necessary. This may reflect other advantages that employees with disabilities bring to the business, or it may reflect the fact that the costs that many associate with people with disabilities (for example, healthcare, accommodations) are not significant. Alternatively, tax credits may bring their own costs to the business, in the form of time required to apply for them, and may not be worth it for that reason. Businesses also may not be aware of the tax credit programs, or the credit may not be large enough to promote its adoption.

AMERICANS WITH DISABILITIES ACT

"I think there is a benefit of legislation, which is it provides some amount of structure. . . . This is what you need to worry about if somebody asks you for an accommodation this is the process you will have to go through." *"It is kind of scary when you are looking at the ADA issues and all that it requires financially to be accessible and meet the commitment to that."* Although the ADA passed 15 years ago, it continues to have an effect on

the business consciousness. The two comments above reflect the differing views of McDonald's, a large corporation that actively lobbied other businesses to support passage of the ADA, and Arrow Messenger, a small business that fears the costs of accommodations, on what the ADA might represent. The difference between larger and smaller companies may reflect varying levels of risk aversion and ability to deal with this expense, with smaller companies being more risk averse. Risk aversion exists in smaller companies that do not have a human resources department or the expertise that helps smooth out employee-employer conflicts.

OUTSOURCING

"You are taking away a whole entry level category of jobs that could be good opportunities for people." The IT department of McDonald's as well as Data Armor expressed concern over the outsourcing of employees in entry-level technical jobs. McDonald's had recently outsourced 150 employees, although 90 percent of the employees had retained employment and continued to be housed in McDonald's headquarters. McDonald's ensures that the outsourced company maintains good employment policies, but it does not have 100 percent control over these practices. Data Armor hired half of its workforce "off-shore," in India, to assure its survival. The person interviewed at Data Armor expressed doubt that any company in its field could survive without following similar tactics. Although overseas outsourcing made sense financially, this practice is a serious issue in the technology sector for people with mobility impairments, because it eliminates a large class of entry-level jobs and telecommuting opportunities that these individuals could use to gain initial access to the labor market. In addition, the opportunities that are still available in the United States may not present the same opportunities for career advancement that they would if the jobs were still housed in a large, disability-friendly corporation.

CONCLUSION: SUMMARY OF FINDINGS AND FUTURE RESEARCH

This study provides several contributions to the literatures of business, disability, and employment. It fills a gap in examining the attitudes and decision-making processes of U.S. companies that have been leaders in hiring people with disabilities, as well as delving into the special issues of small businesses that may lack exposure to disability employment. Below, we summarize our findings, suggest avenues for future research, and note study limitations.

WHY DO BUSINESSES EMPLOY PEOPLE WITH DISABILITIES?

The commitment to hiring people with disabilities derives from a variety of sources, including a strong commitment to diversity in general and a CEO with personal experiences with family members with disabilities (Aon), strong enduring relationships with the disability community and an ethic of serving the community by serving all sectors of the population (McDonald's), or a personal commitment to hiring people with disabilities coupled with strong relationships with non-profit organizations that shoulder some of the burden of the cost of accommodations (Arrow Messenger). In particular, employing and retaining persons with disabilities is often part of a larger diversity strategy (see <http://disability.law.uiowa.edu>).³³

Our analysis of the perceived benefits to hiring people with disabilities revealed that the most often-cited benefit was the diverse perspective people with disabilities provide to the company and the loyalty they possess to the company that hires them. The other near universal benefit was increased morale in the workforce due to employment of people with disabilities. Common perceived barriers included attitudinal barriers, particularly among hiring managers, the fear of accommodation costs, and the legal issues surrounding an employee with a disability. These barriers

might be countered by providing bonuses and promotions to managers who achieve success in enhancing the diversity of their subordinates. The bottom line is apt to be that the CEO must either have a personal commitment to disability employment or the company must perceive a market advantage.

HOW DO BUSINESSES HIRE PEOPLE WITH DISABILITIES?

Those strategies which were successfully employed by the companies in this study include: targeting hiring managers with curricular education, enlisting the support of senior management for disability initiatives, forming partnerships with outside disability organizations, avoiding stereotyping, embracing flexible scheduling and telecommuting opportunities, maintaining open and proactive communication between managers, employees with disabilities, and other interested groups (human resources, legal). In cooperating with outside agencies, companies generally desired vocational rehabilitation and job counselors to aim for a good match between applicant with a disability and the job position rather than just a placement. Lack of business knowledge among vocational rehabilitation counselors was a complaint.

Special attention must also be devoted to the differences between smaller and larger companies. In the data collected in this study, it became evident that the smaller companies (Data Armor, Arrow Messenger) saw employing people with disabilities as a larger risk than larger companies did. This may be a function of smaller companies not having well-developed human resources departments that serve as a knowledge base for legal and management issues. Smaller companies also saw it as the role of larger companies to absorb the risk of employing people with disabilities as their size afforded them this option; smaller companies have other priorities such as survival. Smaller and larger companies also had differing views of laws regulating employment, such as the Americans with Disabili-

ties Act, with larger companies having a more positive view of legal mandates. None of the companies seem to use tax credits for the employment of people with disabilities or for accommodations and accessibility. Reasons cited included the cumbersome paperwork involved and the importance of making a match rather than the financial incentives provided by a tax credit.

FUTURE RESEARCH OPPORTUNITIES

This research has set forth a number of propositions about the nature of businesses that actively employ people with disabilities that could be replicated or examined in more detail. The following suggestions are intended to illustrate the range of research opportunities. Schur, Kruse, and Blanck provide a fuller description of corporate issues in employment of persons with disabilities.³⁴ Clearly, it would be valuable to compile additional case studies of companies that have made concerted efforts to increase the hiring, retaining, and promoting of employees with disabilities. Studies of less forward-looking companies would help illuminate the perceived barriers to employment. These studies could facilitate the development of "best practices" for hiring, retaining, and promoting persons with disabilities.

Company culture should be examined in more detail to understand what elements of it discourage or facilitate the employment of people with disabilities.³⁵ The data from Aon Corporation indicate that a culture of creativity or innovation may be ideal for people with disabilities, as this may predispose managers and human resources staff to seek creative solutions to accommodations issues, including alternative work environments. In order to have a basis for future interventions, research should also determine what entities or individuals are responsible for the creation or change of company culture. Edgar H. Schein's text, "Organizational Culture and Leadership," explores these issues in greater detail.³⁶

Data from the three companies experienced in the employment of people with disabilities suggest that the CEO or founder is a prime driver of company culture. The economic sector that a firm inhabits may also be a driver, as being in the service industry seems to have influenced McDonald's company culture with regards to notions of corporate social responsibility and community.

Another possible avenue of research would be to survey Fortune 500 CEOs on their perspectives on how diversity and disability accommodation are related. Results from such a survey could guide development of training and leadership programs. Similar work has been conducted. Examples include a study of a nationally representative sample of businesses reported in "Restricted Access: A Survey of Employers About People with Disabilities and Lowering Barriers to Work" by Dixon, Kruse, and Van Horn; "Disability Employment Policies and Practices in Private and Federal Sector Organizations," by Bruyere; and "Preliminary Findings from Job Accommodation Network Employer Survey" by the Office of Disability Employment Policy in the United States Department of Labor. The views of Fortune 500 CEOs provide one perspective; however, small firms account for much of the national job growth, particularly in entry-level positions. Additional research on these firms has been published in various personnel journals, and further research can focus on the global competition and pressures small companies face now and in the future.

STUDY LIMITATIONS

Several study limitations should be noted. We relied on individuals to report information about their employment experience honestly and accurately. Attempts to portray their companies in a socially desirable light could limit the accuracy of the information and our conclusions. The long-standing relationship between the companies and RIC's vocational rehabilitation program minimizes this risk to

some extent. In comparing across firms of varying size, it is important to note that experience in disability accommodation also varied. The regulatory requirements for small and large are different; in particular, the small firm participating in this study was not subject to the ADA. Thus, we cannot infer that observed differences are due to experience or size. The small firm that agreed to participation primarily has positions that are not appropriate for individuals with physical or cognitive disabilities as the work involves hardware support in clients' offices which requires a great deal of mobility and strength. Had other small comparison firms been available, with different types of employment opportunities for individuals with disabilities, we might have reached different conclusions. Also, the small number of employers limits the extent to which we can generalize to other employers of similar size.

IN CLOSING

This report illustrates "demand side" issues related to employment of people with disabilities in the labor market. We examined reasons why businesses chose to hire people with disabilities and identified strategies for successfully hiring and retaining workers with disabilities. The in-depth, semi-structured interviews with senior management, human resources staff, Directors of Diversity, and hiring managers were valuable in identifying themes, concerns, and strategies. Finally, we have offered directions for future studies that could extend our understanding of this important and timely problem.

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