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Implementation of Disability-Inclusive Workplace Policies and Practices by Federal Contractors and Non-Federal Contractors

Issue Brief: 2018 Survey of Employer Policies on the Employment of People with Disabilities¹

The U.S. Department of Labor's (DOL) Office of Disability Employment Policy (ODEP) has long focused on encouraging private sector employers to hire more people with disabilities. The Chief Evaluation Office (CEO) contracted with Westat to conduct the 2018 Survey of Employer Policies on the Employment of People with Disabilities to provide a current picture of employer efforts to employ people with disabilities as well as attitudes toward people with disabilities.

The survey was based on a national sample of businesses stratified by industry and company size to enable comparisons across groups of employers.

In this issue brief, we use data from the survey to examine implementation of disability-inclusive workplace policies and practices by federal contractors and non-federal contractors.

This brief is one of three on findings from the survey. Others examine the relationship of disability-inclusive policies and practices to hiring of people with disabilities and employers' attitudes toward hiring people with disabilities.



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Overview

People with disabilities face economic disadvantages including lower employment and lower earnings. In March 2019, the labor force participation rate of people with disabilities age 16 and older was 21.5 percent as compared to 68.5 percent for people without disabilities. Additionally, the unemployment rate for people with disabilities was 7.9 percent, which is about twice the unemployment rate (3.8%) of those without disabilities (Bureau of Labor Statistics, 2019). People with disabilities also earn less than people without disabilities. In 2017, the median annual earnings for full-time/full-year workers with disabilities ages 18 to 64 was \$40,353 compared to \$45,449 for people without disabilities (Houtenville and Boege, 2019).

In an effort to address disparities in economic opportunities and outcomes, labor laws exist that prohibit employer discrimination against people with disabilities. The Rehabilitation Act of 1973 (Rehab Act) prohibited programs operated by federal agencies from discriminating based on disability status. Section 503 of the Rehab Act extended prohibition of

discrimination to federal contractors and subcontractors (Iyer and Masling, 2015). In 2014, the regulations implementing Section 503 were revised to require government contractors and subcontractors to take affirmative action in the recruitment, hiring, promotion, and retention of people with disabilities. Specifically, the regulations require contractors to establish a goal that 7 percent of the company's workforce be people with disabilities. It also requires contractors to collect data on the number of people with disabilities that apply for jobs and the number that are hired at the company. Further, Section 503 requires contractors to invite applicants and employees to self-identify as people with disabilities (Office of Federal Contract Compliance Programs, n.d.).

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<https://www.dol.gov/agencies/oasp/evaluation/completedstudies>

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Key Findings

Federal contractors were more likely than other companies to implement disability-inclusive recruitment and hiring practices. Federal contractors were more likely to implement six of eight inclusive recruitment and hiring practices.

While some federal contractors have implemented inclusive recruitment and hiring practices, others have not. Less than half of federal contractors reported implementing five of eight inclusive recruitment and hiring practices.

Federal contractors were more similar to other companies in implementation of inclusive retention and advancement practices. Only two of eight inclusive retention and advancement practices were more likely to be implemented by federal contractors.

In a recent survey, most federal contractors reported that they changed their policies and practices regarding employing people with disabilities in response to the recent changes to Section 503 (von Schrader and Bruyère, 2018). This issue brief uses data from the 2018 Survey of Employer Policies on the Employment of People with Disabilities to examine the implementation of disability-inclusive policies and practices by federal contractors and non-federal contractors.² The survey was designed to provide a current picture of employer efforts to employ people with disabilities as well as attitudes toward people with disabilities. The survey was based on a national sample of businesses stratified by industry and company size to enable comparisons

across groups of employers.³ The survey was a 20-minute telephone interview with senior executives in 12 industries. Interviewing was conducted from July through October 2018. Interviews were completed with 2,023 companies. The response rate was 17.3 percent. All analyses were weighted to account for the sample design and adjust for non-response. The sample represents (when weighted) 2,007,574 companies, of which 135,935 (6.7%) are federal contractors. Federal contractor status was determined by asking respondents: "Is your business a contractor of the federal government?" Companies that responded "yes" to this question were federal contractors; those that responded "no" were non-federal contractors. Thirty-nine

The purpose of the 2018 Survey of Employer Policies on the Employment of People with Disabilities is to understand employer efforts to engage people with disabilities, enhance ODEP's ability to engage employers on how to hire, retain, and promote people with disabilities through its public education campaigns and technical assistance centers, and provide guidance to groups that advocate for employment of people with disabilities.

² Section 503 applies to all government contracts and subcontracts in excess of \$15,000. The survey did not ascertain whether the company had federal contracts or subcontracts in excess of \$15,000.

³ The sampling frame for the survey was the Duns Market Identifiers File maintained by Dun & Bradstreet.

Federal contractors were more likely than non-federal contractors to implement six of eight disability-inclusive recruitment and hiring practices.



companies responded “don’t know” or “refused” to the question about federal contractor status and were excluded from the analysis. The analysis sample consisted of 1,984 companies. All differences reported are significant at the .05 level.

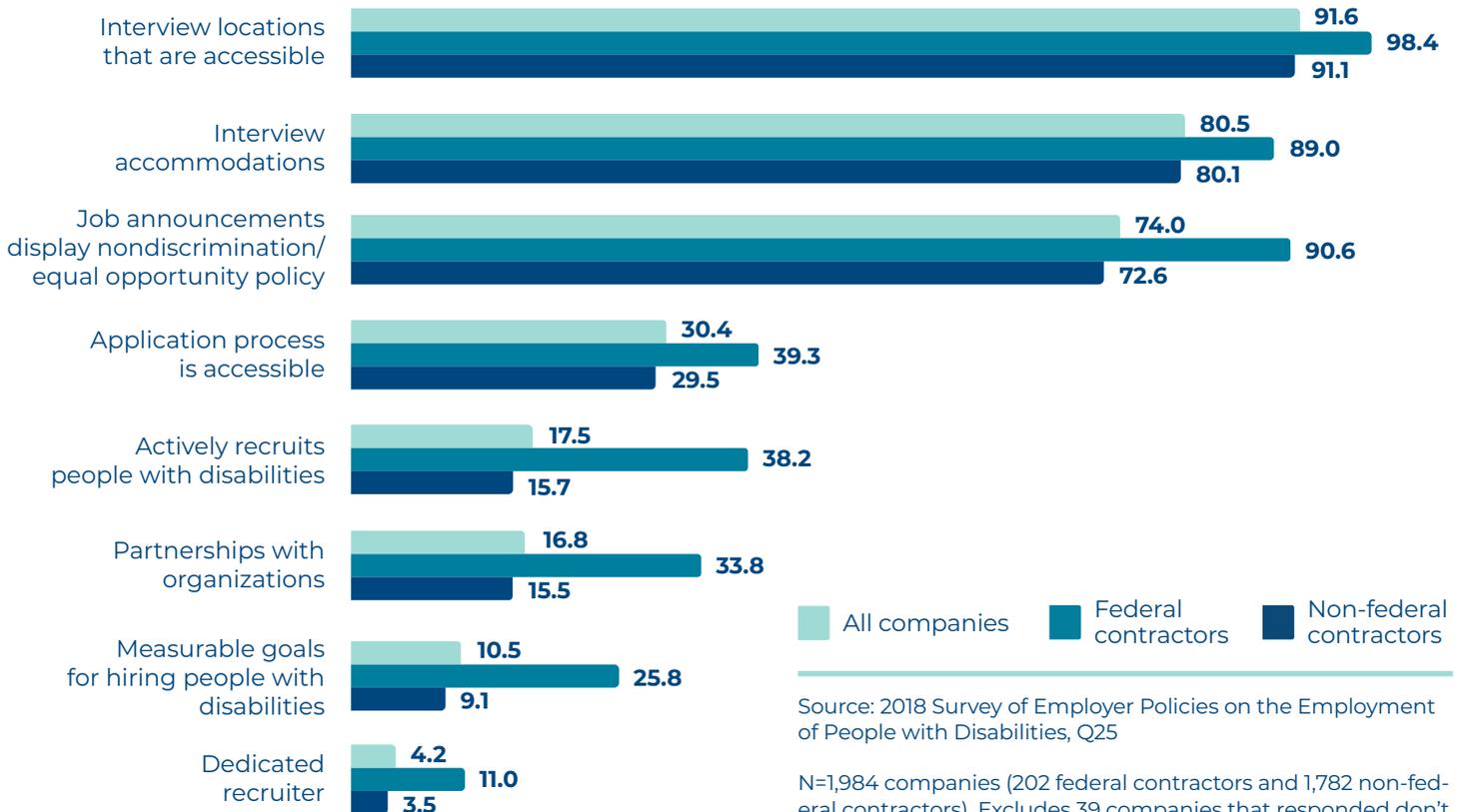
Recruitment and Hiring Practices

The survey asked respondents whether their companies implemented eight recruitment and hiring practices and eight retention and advancement practices identified by research as potentially promising (for reviews see Erickson et al., 2014a; Erickson et al., 2014b). The vast majority of companies (91.6%) indicated they have interview locations that are accessible to all people with disabili-

ties (Figure 1). Eighty-one percent of companies provided an opportunity for all job interview candidates to request an accommodation for the interview, and 74.0 percent said that they post job announcements that display a policy of nondiscrimination and equal opportunity. The remaining practices were implemented by 30 percent or less of employers, including having an application process that is accessible to all people with disabilities (30.4%), actively recruiting people with disabilities (17.5%), developing partnerships with organizations to recruit people with disabilities (16.8%), having measurable goals for hiring people with disabilities (10.5%), and having a dedicated recruiter for hiring people with disabilities (4.2%). Implementation of

Figure 1

Percentage of companies implementing recruitment and hiring practices and policies by federal contractor status

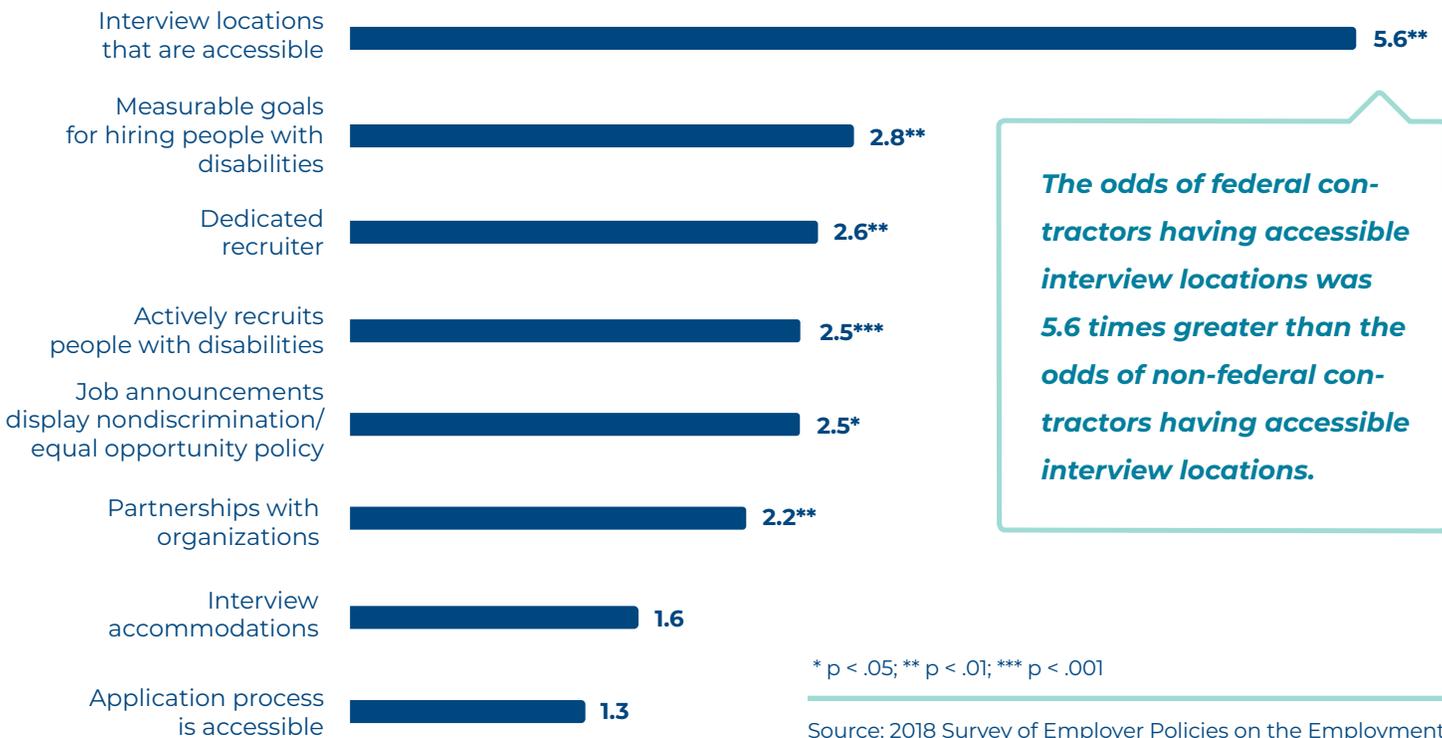


Source: 2018 Survey of Employer Policies on the Employment of People with Disabilities, Q25

N=1,984 companies (202 federal contractors and 1,782 non-federal contractors). Excludes 39 companies that responded don't know or refused to Q10 about federal contractor status.

Figure 2

Adjusted odds ratios for the relationship between being a federal contractor and the probability that a company has a recruitment or hiring practice or policy



The odds of federal contractors having accessible interview locations was 5.6 times greater than the odds of non-federal contractors having accessible interview locations.

* p < .05; ** p < .01; *** p < .001

Source: 2018 Survey of Employer Policies on the Employment of People with Disabilities, Q25

Each odds ratio is from a separate logistic regression model that includes federal contractor status, company size, and industry.

Being a federal contractor increased the odds of implementing partnerships with organizations by a factor of 2, displaying nondiscrimination/equal opportunity policy in job announcements, having a dedicated recruiter, and having measurable goals for hiring people with disabilities by a factor of about 3, and having accessible interview locations by a factor of about 6.

each practice by federal contractors was not universal. Most notably, only 38.2 percent of federal contractors said that they actively recruit people with disabilities and 25.8 percent said that they had measurable goals for hiring people with disabilities.

Because federal contractor status was related to other company characteristics (federal contractors were more likely to be large companies and in the goods-producing sector), we used a logistic regression analysis to predict the presence of each type of recruitment or hiring policy or practice controlling for company characteristics. The results are pre-

sented as odds ratios. The odds ratio gives the odds relative to the reference group of non-federal contractors. A statistically significant odds ratio of greater than 1 indicates that federal contractor status is associated with a greater likelihood of the practice. Federal contractors were more likely to implement six of the eight recruitment and hiring practices compared to non-federal contractors. Being a federal contractor increased the odds of implementing partnerships with organizations by a factor of 2, displaying nondiscrimination/equal opportunity policy in job announcements, having a dedicated recruiter, and having measurable goals for

Only two of eight inclusive retention and advancement practices were more likely to be implemented by federal contractors.



hiring people with disabilities by a factor of about 3, and having accessible interview locations by a factor of about 6 (Figure 2). The only two practices that federal contractors were not more likely to implement were an accessible application process and interview accommodations, probably due to a ceiling effect as the vast majority of companies do these things.

Retention and Advancement Practices

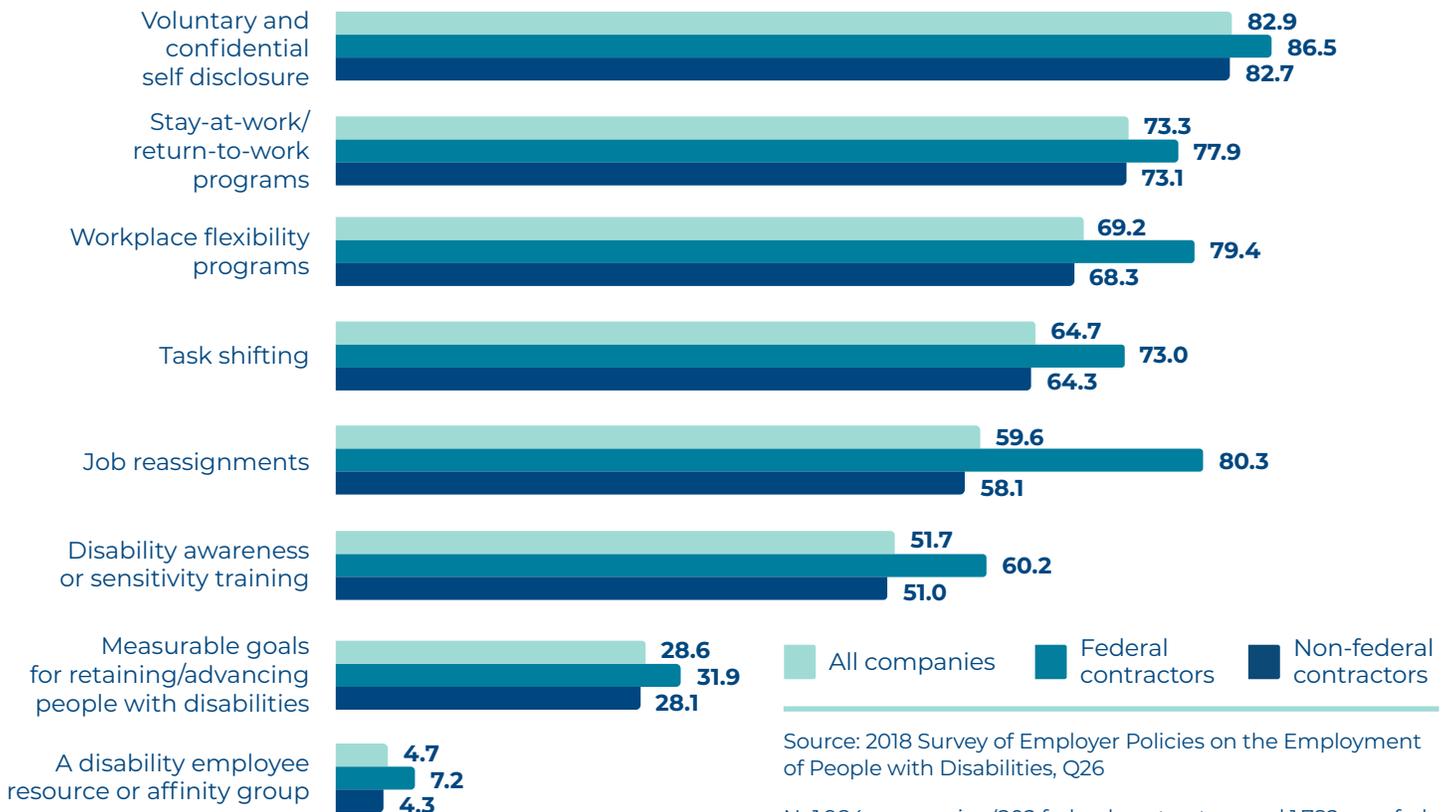
The survey asked companies about eight inclusive retention and advancement practices. Eighty-three percent of companies said that they had a process for people with disabilities to voluntarily and confidentially disclose that they have a disability

(Figure 3). Three in four employers (73.3%) indicated that they have stay-at-work/return-to-work programs or policies. Two-thirds indicated that they have workplace flexibility programs, such as flextime or telecommuting (69.2%), task shifting (64.7%), and job reassignments (59.6%). About half (51.7%) of employers said that they offered disability awareness or sensitivity training. Just under 30 percent (28.6%) had measurable goals for retaining or advancing people with disabilities, and only 4.7 percent offered a disability employee resource or affinity group.

We also used logistic regression to predict the presence of each type of retention and advancement practice

Figure 3

Percentage of companies implementing retention and advancement practices and policies by federal contractor status



Source: 2018 Survey of Employer Policies on the Employment of People with Disabilities, Q26

N=1,984 companies (202 federal contractors and 1,782 non-federal contractors). Excludes 39 companies that responded don't know or refused to Q10 about federal contractor status.

Being a federal contractor increased the odds of implementing job reassignments and workplace flexibility policies by a factor of 2.

controlling for company characteristics. There were few differences between federal contractors and non-federal contractors in terms of retention and advancement practices (Figure 4). Federal contractors were more likely to implement only two of the eight retention and advancement practices—job reassignments and workplace flexibility policies. Being a federal contractor increased the odds of implementing job reassignments and workplace flexibility policies by a factor of 2.

Discussion

The results of this survey indicate that, five years since changes to Section 503 went into effect, federal contractors were more likely to implement disability-inclusive recruitment and hiring policies and practices than other companies after controlling statistically for company characteristics. Specifically, being a federal contractor increased the odds of implementing six of eight recruitment and hiring practices by factors of between 2 and 6. One possible reason for these differences in implementation of inclusive recruitment and hiring practices between federal contractors and other companies may be that federal contractors are responding to the changes to Section 503. However, it is noteworthy that several of the practices were not universally implemented by federal contractors. Less than

half of federal contractors reported implementing the following practices: an accessible application, actively recruiting people with disabilities, partnerships with organizations to recruit people with disabilities, goals for hiring people with disabilities, and a dedicated recruiter. In addition, there were few differences between federal contractors and non-federal contractors in the implementation of disability-inclusive retention and advancement policies and practices. Federal contractors were more likely to implement only two of eight inclusive retention and advancement practices. This suggests that there is still progress to be made by both federal contractors and non-federal contractors toward implementation of disability-inclusive workplace policies and practices.

Figure 4

Adjusted odds ratios for the association between being a federal contractor and the probability that a company has a retention or advancement practice or policy



The odds of federal contractors implementing job reassignments was 2.2 times greater than the odds of non-federal contractors implementing job reassignments.

* p < .05; ** p < .01; *** p < .001

Source: 2018 Survey of Employer Policies on the Employment of People with Disabilities, Q26

Each odds ratio is from a separate logistic regression model that includes federal contractor status, company size, and industry.

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