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NATIONAL ORGANIZATION ON
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Enabling Employment: How Do Employer Disability Practices Affect Disability Outcomes?

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In partnership with National Organization on Disability

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- People with disabilities often face difficulties getting hired (shown by field experiments), and once employed have lower pay rates and higher layoff rates than otherwise-similar people without disabilities.
- Do employer policies and practices make a difference in decreasing the disparities?
- Very little hard data on this question, and almost all existing evidence comes from cross-sectional surveys, raising causality concerns
 - one longitudinal study found that a written employer policy was better predictor than subjective management intentions in predicting disability hiring 6 months later (Araten-Bergman, 2016), and 3 disability training studies found improvements in work injuries, costs, or disability knowledge and attitudes

- Our data come from detailed annual employer surveys of members of National Organization on Disability
- We use data on 49 disability employment practices collected over 2019-2023 period
- 235 companies filled out survey in at least two of these years, and 91 did so in all five years
- Total employment of respondents was close to 8.5 million in each year (over 5% of U.S. nonfarm payroll employment)

- Selection issues apply: these companies a) chose to be part of NOD, and b) chose to fill out survey
 - => Will their results be representative?
- Some selection issues reduced with panel data—can compare companies before and after adopting practice
- Also these companies joined NOD because they're interested in experimenting and learning about best practices, creating good variation for research purposes

49 disability employment practices (all yes/no) broken into 8 categories (not all measured in every year):

1. Recruitment (e.g., “My company works directly with disability focused personnel at the colleges/universities”)
2. Disability inclusion (e.g., “My company has senior leaders who are open about their disabilities”)
3. Self-ID encouragement (e.g., “My company has run a communications campaign to encourage employees to self-identify as having a disability”)
4. Accessibility (e.g., “My company has included accessibility features beyond ADA requirements in our facilities”)

Disability employment practice categories (cont.)

5. Promotion of disability initiatives (e.g., “In the past year, my senior leaders have promoted disability initiatives through . . . Company town hall meetings about disability”)
6. Disability training and education (e.g., “Managers/supervisors are required to take part in annual disability training”)
7. Accommodations (e.g., “My company explains the accommodation process to new hires”)
8. Support for disability groups and mentoring (e.g., “My company has a formal mentoring program specifically for employees with disabilities”)

Disability employment practices by year

	Means by year				
	2019	2020	2021	2022	2023
1 Disability recruitment practices	na	na	8.09	8.04	8.72
2 Disability inclusion practices	na	2.01	2.20	2.39	2.40
3 Self-ID encouragement practices	2.59	2.57	2.61	2.39	2.47
4 Accessibility practices	4.07	4.45	4.56	4.78	5.13
5 Promotion of disability initiatives	na	na	3.72	4.12	4.37
6 Disability training and education	2.60	2.84	3.03	3.25	3.35
7 Accommodation practices	na	2.57	2.36	2.55	2.65
8 Support for disability groups and mentoring	1.60	1.69	1.64	1.75	1.90
Number of firms	154	166	196	182	167

These practices are positively correlated

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1 Disability recruitment practices	1.000							
2 Disability inclusion practices	0.502	1.000						
3 Self-ID encouragement practices	0.458	0.280	1.000					
4 Accessibility practices	0.597	0.477	0.256	1.000				
5 Promotion of disability initiatives	0.609	0.635	0.283	0.511	1.000			
6 Disability training and education	0.415	0.372	0.226	0.400	0.332	1.000		
7 Accommodation practices	0.443	0.278	0.297	0.378	0.380	0.315	1.000	
8 Support for disability groups and mentoring	0.331	0.520	0.207	0.236	0.461	0.156	0.244	1.000

Empirical strategy

Predicting three outcomes: a) disability hires, b) disability promotions, c) disability exits.

Random effects (RE) model (using within- and between-firm variation):

$$\ln(\text{outcome}_{it}) = a + b1*(\text{practices}_{it}) + b2*(\text{practices}_{it-1}) + b3*\ln(\text{total employees}_{it}) + b4*(\text{RE}_i) + e_{it}$$

When Mundlak test rejects RE assumption of no correlation between RE and other predictors, we use a correlated random effects (CRE) model, which removes correlation between RE and other predictors

--CRE provides both a “within” estimate (identical to fixed-effect estimate), and a “between” estimate (using within-firm means as predictors).

The RE and CRE-within coefficients provide the best estimates of any causal effect.

Summary Results

		Not controlling for other disability practice categories			Controlling for all disability practice categories		
		Disability hires (1)	Disability promotions (2)	Disability exits (3)	Disability hires (4)	Disability promotions (5)	Disability exits (6)
Disability recruitment practices	lagged	14.9%	**	15.3%	**		
Disability inclusion practices	current					616.4%	***
	lagged	61.1%	***	47.7%	***	82.4%	**
Self-ID encouragement practices	current		65.2%	***			
Accessibility practices	current			-25.9%	**	77.2%	***
	lagged	22.3%	*				

Summary Results (cont.)

		Not controlling for other disability practice categories			Controlling for all disability practice categories		
		Disability hires	Disability promotions	Disability exits	Disability hires	Disability promotions	Disability exits
		(1)	(2)	(3)	(4)	(5)	(6)
Promotion of disability initiatives	lagged	20.8%	**				
Disability training and education	lagged	16.0%	*	21.2%	**		
Accommodation practices	current	31.7%	*		-30.1%	***	-29.4% **
Support for disability groups and mentoring	current			41.5%	**		
	lagged			24.7%	*		-30.6% *

*** p<0.01, ** p<0.05, * p<0.1

Which specific practices are best?

Hard to isolate effects of specific practices due to high correlations with other practices.

But can run commonality analysis, identifying unique versus shared variance for each practice in a significant category, and rank practices by unique variance.

Unique variance is calculated as proportion of the variance in the outcome accounted for by disability practices in that category.

Identifying most important specific practices

Disability practice category	Specific practice with highest unique variance	Unique variance
PREDICTING DISABILITY HIRES		
Disability recruitment practices	careers page for jobseekers w/disabilities	0.187
Disability inclusion practices	employees w/disabilities speak at events	0.372
Accessibility practices	application process compliant w/WWW 2.0/2.1	0.245
Promotion of disability initiatives	disability press releases	0.120
Disability training and education	disability educ/awareness programs	0.260
Accommodation practices	track employee accommodation requests	0.332

Identifying most important specific practices (cont.)

Disability practice category	Specific practice with highest unique variance	Unique variance
PREDICTING DISABILITY PROMOTIONS		
Disability recruitment practices	recruiting materials display employees w/dis	0.193
Disability inclusion practices	employees w/disabilities speak at events	0.096
Self-ID encouragement practices	campaign to encourage disability self-ID	0.333
Accessibility practices	training material is accessible	0.313
Disability training and education	disability educ/awareness programs	0.434
Support for disability groups and mentoring	disability group has budget	0.023
DISABILITY EXITS		
Accommodation practices	central accommodations fund	0.288
Support for disability groups and mentoring	ERG/affinity grp for employees w/disabilities	0.106

Conclusion

Employer disability practices appear to matter in improving employment opportunities for people with disabilities.

Next steps:

1. Identifying complementarities—do practices substitute for each other, or work better when bundled together?
2. Add other outcomes: applications, management promotions, representation in management and professional jobs, participation in ERG groups and volunteer activities
3. Add employee survey data from several companies
3. Add data from 2024 and future surveys to explore and extend results
4. Predict adoption and survival of practices