



Study on the effects from employment of persons with disabilities on management

[Research Reports No.94] Summary

【Keywords】

Management, Effects of employment of persons with disabilities, Competent workforce

【Points for using the findings】

When companies employ persons with disabilities, effects on their management through various factors are considerable. To develop employment of persons with disabilities, it is important to clarify above mentioned effects and specify essential positive factors for further promotion of the employment of persons with disabilities. Considering these circumstances, this study aims to have accurate views on the situation and problems of employment of persons with disabilities through several kind of surveys, paying strong attention to their relationship with management of the companies. Based on the results of these surveys and analysis on them, measures to cope with problems found in this study are suggested as our conclusions.

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2. Period

Fiscal 2007 to 2009

3. Composition of the research report

Chapter 1 Background, Objectives and Method of the Research Study

Chapter 2 Factors of the employment of persons with disabilities by companies

Chapter 3 Questionnaire survey of companies

Chapter 4 Interview survey of companies

Chapter 5 Conclusion

References

4. Background and Purpose

When an enterprise employs an applicant, various factors have an effect on the management of the enterprise. The basic effect is on the balance of payments because labor is a source of earnings and a cost factor at the same time. In the case of an employee with disabilities, the effect extends to other aspects. Direct effects may include the cost of introducing facilities/equipment for the employee and the cost of other employees' supporting the employee with disabilities, but various programs to support the employment of persons with disabilities may offset these effects. The effect on the company's reputation should also be taken into account in relation to social responsibility. If all factors including the above are taken into consideration, the total effect would be found to be broad and complicated. In order to promote the employment of persons with disabilities in the severe economic climate, which is expected to continue, it is important to explore and make clearer the factors of and measures for the promotion of employment of persons with disabilities based on this relation with business management.

Against this background, this research will grasp and analyze the current state and background of the employment of persons with disabilities by companies with the relation with business management in mind, for the purpose of obtaining suggestions on the strategy for the promotion in the future.

5. Method

(1) Setting up of a Research Council

A Research Council was established, and it has provided various support for the research, including continuous advice on the perspectives of the research, concrete shape of the research, design of the surveys conducted in the research, and the interpretation of the results.

(2) Literature research

We conducted literature research on the effect of employment of persons with disabilities on business management.

(3) Questionnaire survey of companies

We carried out a questionnaire survey to understand the reality of employment of persons with disabilities by companies and their awareness of this issue for the exploration of support strategy toward expansion of job opportunities. We sent the questionnaire to 5,000 companies that employ more than 101 regular workers and received answers from 1,063 companies (response rate: 21.3%).

(4) Interview survey of companies

We conducted an interview survey of companies to consider issues and countermeasures presumed based on the results of the questionnaire survey and to explore such issues' actual situation and background in detail. We systematically selected 30 companies to be interviewed from the companies that responded to the questionnaire survey based on the employment rate of people with disabilities and the accommodation made for employees with disabilities.

6. Summarized Results of the Study

(1) Factors of employment of persons with disabilities by companies

a. Direct effect of employment of persons with disabilities on business management

In order to sort out the perspective of the questionnaire survey with a focus on the direct effect of the employment of persons with disabilities, we considered the employment of persons with disabilities within the framework of the prevailing employment management in companies, which is non-specific to disabilities. Generally the process of employment is broken down to: 1) recruitment, 2) selection, 3) allocation, and 4) retention. In addition, human resource development is needed for sustainable development of the company. In this process, workplace experiences such as practical training prior to selection or allocation and OJT may play a major role, especially in the case of employment of persons with disabilities. Employment involves labor cost but this can be reasonable if the job, the ability and the wage are well balanced. It is often pointed out that employment of persons with disabilities involves additional costs such as barrier-free arrangements and improvement of equipment. However, some of these measures can be taken in a relatively simple and low-cost manner. Furthermore, they often produce positive effects on users in general, including co-workers. It is necessary to examine the additional costs of the employment of persons with disabilities with these factors in

mind.

It is also pointed out that persons with disabilities need more time to acquire skills and fit in at the workplace. A company also needs time and experience to accumulate know-how related to managing the employment of persons with disabilities. Therefore, studying the effect of the employment of persons with disabilities on business management may require a relatively long-term perspective.

b. Indirect effect of the employment of persons with disabilities on business management (focusing on CSR)

We analyzed the indirect impact of the employment of persons with disabilities with focus on CSR. Looking at the awareness and efforts of companies by field of activities, more than half of the companies answered that their activities for respect for human rights are “at the level of public decency beyond compliance,” while over 80% said that their activities for the environment are “aimed at the creation of sustainable society” that is deemed to be of a higher level. Interest in CSR is high both among the public at large and companies in Japan, but the focus is relatively more on the environment, while some research shows that efforts for labor and human rights are not up to those for the environment, etc.; especially research that includes comparisons with other countries suggest that CSR in Japan tends to be concentrated on the environment. In CSR, efforts of employment of persons with disabilities are usually evaluated in terms of their employment ratio.

In other countries, the US, in particular, SRI (Social Responsibility Investment) is a driving factor for CSR. The EU has been actively incorporating CSR in its economic strategy to ensure competitiveness since 2000 and advancing efforts such as the provision of a multi-stakeholder forum where various interested parties share experiences and information and engage in discussion toward the creation of a common framework to promote CSR. Efforts for diversity management that takes advantage of a diverse labor force for enhancement of corporate competitiveness started in the US in the 1990s. Diversity management is also paid attention to in the CSR promotion activities in the EU. Here, human rights and labor practices as well as the environment are positioned as important fields. As regards labor practices, there is a tendency to require compliance with core labor standards of the ILO and establish a standard based on them.

(2) Questionnaire survey of companies

a. Outline of the survey

Company profile, situation of the employment of persons with disabilities, consideration for employment of persons with disabilities and its impact, about capacity building, about support system and organization, about corporate social responsibility, etc.

b. Respondent companies

Looking at the breakdown of the respondent companies by industry, “service industry” (13.3%) occupied the largest share followed by “education and learning support” (11.9%), “wholesale and retail” (11.0%),

“manufacturing” (9.3%) and “medical care and welfare” (9.2%); by company size, those with “more than 1,000 employees” was 26.4%, “301 to 999” was 35.4%, “201 to 300” was 17.5% and “less than 200” was 20.4% (“no response” was 0.3%); by the ratio of employees with disabilities (hereafter “employment ratio”), “more than 1.8%” was 28.5%, “1.2% to 1.8%” was 28.1%, “less than 1.2%” was 25.3% and “not employing” was 8.3% (no response was 9.8%).

c. Results

(a) General opinions about employment of persons with disabilities

Regardless of the company size or employment ratio, many companies recognize the necessity and importance of employing persons with disabilities. However, a look into individual companies shows that the recognition is not necessarily directly reflected in the actual approach. The survey reveals that, while each company is actively working on employment of persons with disabilities and identifying the possibility of further employment, a considerable burden is recognized in achieving the mandatory employment ratio.

(b) Impression regarding employment of persons with disabilities (mainly about burden and concern)

We conducted factor analysis of the answers to the questions concerning the impression regarding the employment of persons with disabilities and organized them into five groups of: “need of human support,” “productivity concern,” “human relationship concern,” “difficulties in identifying a job” and “necessity of the improvement of physical environment.” Further, we compiled a factor score and looked at the tendency by size of the company. Companies with less than 300 employees showed more “productivity concern” and “difficulties in identifying a job,” and there was a significant difference in the latter also between the companies with “more than 1,000 employees” and those with “301 to 999.” (Figure 1)

Looking at the analysis by employment ratio, we found differences between the “no employment” group and other groups in all factors except for “human relationship concern,” which suggests the strong tendency of the companies that do not employ persons with disabilities to have stronger concern in all aspects of the employment of such persons. (Figure 2) Because these tendencies are more remarkable in “productivity concern,” it suggests that the concern about the ability to perform the job is felt to be a major obstacle for a company to start employing persons with disabilities. Further, as for “difficulties in identifying a job,” we found a significant difference not only between the companies that employ and those do not, but also among different employment ratio groups. The results suggest that even companies whose productivity concern was reduced by the actual employment of persons with disabilities face the issue of job creation for further employment, which often creates another concern.

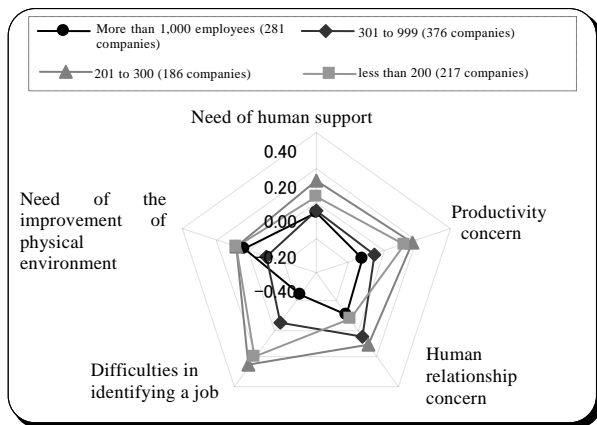


Figure 1: Impression of employment of persons with disabilities by company size

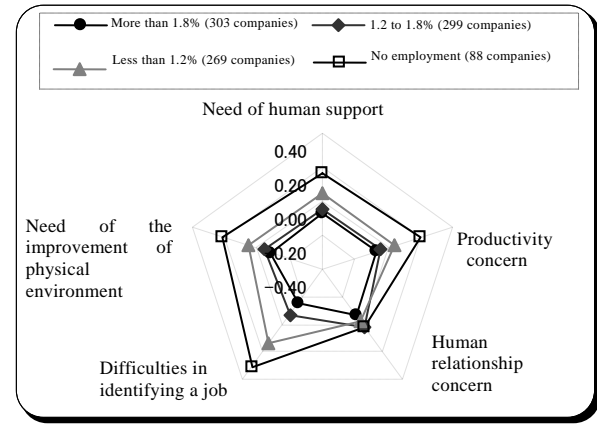


Figure 2: Impression of employment of persons with disabilities by employment ratio

(c) Recognition of the need and implementation of arrangements

More frequently implemented arrangement items are: “arrangement of recruitment method,” “promotion of understanding by executives,” “promotion of understanding by employees,” “OJT” and “employment management”. As to “promotion of understanding by employees,” while an exceptionally large number of companies are feeling the need, this high recognition is not directly put into practice. At the same time, there is a tendency to think that many arrangements benefit only persons with disabilities and provide little benefit to other employees, but as for the “promotion of understanding by employees” more than half of the companies recognized the positive influence on the satisfaction of other employees.

(d) Benefits and effects of making arrangements

Making various arrangements sometimes may involve difficulties and a sense of burden, but not a few companies are actually making such arrangements. These companies recognized not only direct effects of the arrangements but also other wide-reaching effects including social effects (enhanced company value and reputation, for example) and spillover effects across the company (good relationships between employees and management as well as among employees, improved attitude to work and workplace atmosphere). There is also a difference in the impression regarding the employment of persons with disabilities (Figures 3 and 4). A significant difference is found in the impression of “difficulties in identifying a job.” It is made clear that, although there is a certain sense of burden, arrangements such as improvement of the physical environment and OJT can reduce the concern about creating jobs. They may serve as an important stepping stone for the promotion of employment, because individual arrangements for specific persons with disabilities are expected to create opportunities for further employment of persons with disabilities.

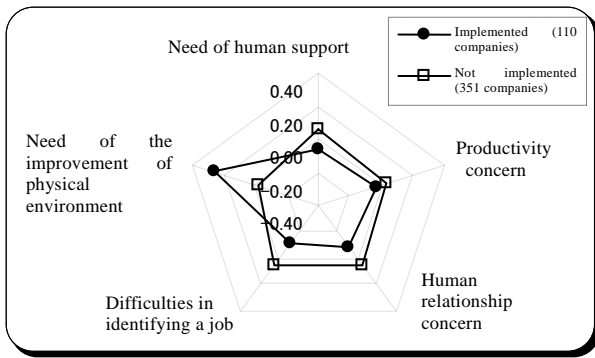


Figure 3: Difference in the impression regarding employment of persons with disabilities depending on the implementation of the improvement of the physical environment”

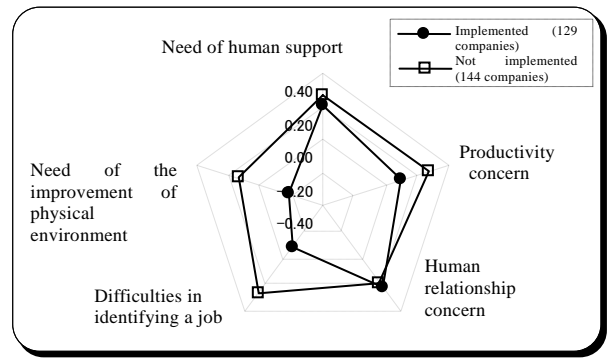


Figure 4: Difference in the impression regarding employment of persons with disabilities depending on implementation of OJT

(e) Effect of making arrangements according to the stage of the employment of persons with disabilities

Companies can be classified into five groups of: (a) those doing “promotion of understanding by executives” or “employment management” before employment; (b) those making “arrangement in recruitment method” in addition to (a); (c) those doing “employment management” in addition to (b); (d) those doing OJT after employment in addition to (c); and (e) those making none of them. We analyzed the impression regarding the employment of persons with disabilities for each group in the classifications above (Figure 5). The result is that companies not making any of the arrangements are more likely to feel “productivity concern” than those in other groups, but “promotion of understanding of the employment of persons with disabilities” before employment and further “OJT” greatly reduced such concern. The “promotion of understanding” alone did not make a significant difference in “difficulties in identifying a job,” but adding “arrangements in recruitment method” as a concrete measure reduced the number of the companies with this concern and further adding OJT resulted in a further decrease. However, doing just OJT did not reduce “productivity concern” or concern about “difficulties in identifying a job.” These results show that the arrangements mentioned above should be built up suitably according to the stage of the employment of persons with disabilities in order to make them more effective (Figure 6).

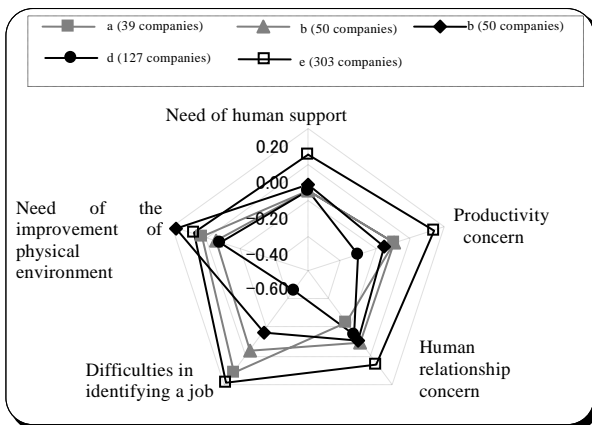


Figure 5: Difference in the impression regarding employment of persons with disabilities depending on the stage of making arrangements

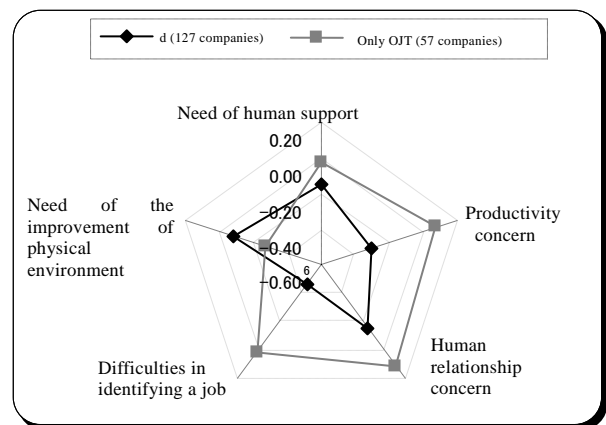


Figure 6: Difference in the impression regarding employment of persons with disabilities depending on whether the stage of the employment was taken into account or not

(3)Interview survey of companies

a. Outline of the survey

The following four stages for employment and training of persons with disabilities into competent workforce were identified and questions were developed to clarify the issues and countermeasures at each stage.

- Stage I: Calling attention to the employment of persons with disabilities (timing of initiatives, catalyst, development, innovative efforts, etc.)
- Stage II: Planning employment of persons with disabilities (recruitment method, channel, etc.)
- Stage III Arrangements at the hiring stage (manners and innovations, measures to reduce the burden, etc.)
- Stage IV: Training into competent workforce and retention (arrangements and innovations of operations, efforts to improve skills, etc.)

b. Results

(a) Factors impeding the employment of persons with disabilities

In order to identify the factors impeding the employment of persons with disabilities, we focused on the issues identified in the interview survey and organized their relations into a hierarchical structure avoiding duplications and inconsistencies (Figure 7). Next, we selected the factors with major impact (circled in Figure 7) among those impeding the employment of persons with disabilities to clarify the causation between the obstacles and their major factors.

Among the impeding factors in Stage I, important ones are: “lack of executives’ understanding” to spread the policy of employment of persons with disabilities in the company and “lack of employees’ understanding” to eliminate or reduce the concerns and the sense of burden in the acceptance. One of the crucial points in the second stage is matching the job with the capability of the persons with disabilities. In this category, impeding factors are: “Defining the work that the person in question can take part in,” “handling of the mismatch between the type of disability/skill and the desired job” and “matching with the operation/workplace.” In stage III, the concerns and burdens felt by executives and employees at Stage I emerge as obstacles to realize actual employment. Here, important points are: how to overcome economic obstacles such as need of “arrangements/innovations with existing facilities” and that of “reduction of economic burden” and how to make “use of external support agencies” and build up a network rather than trying to solve all problems within the company.

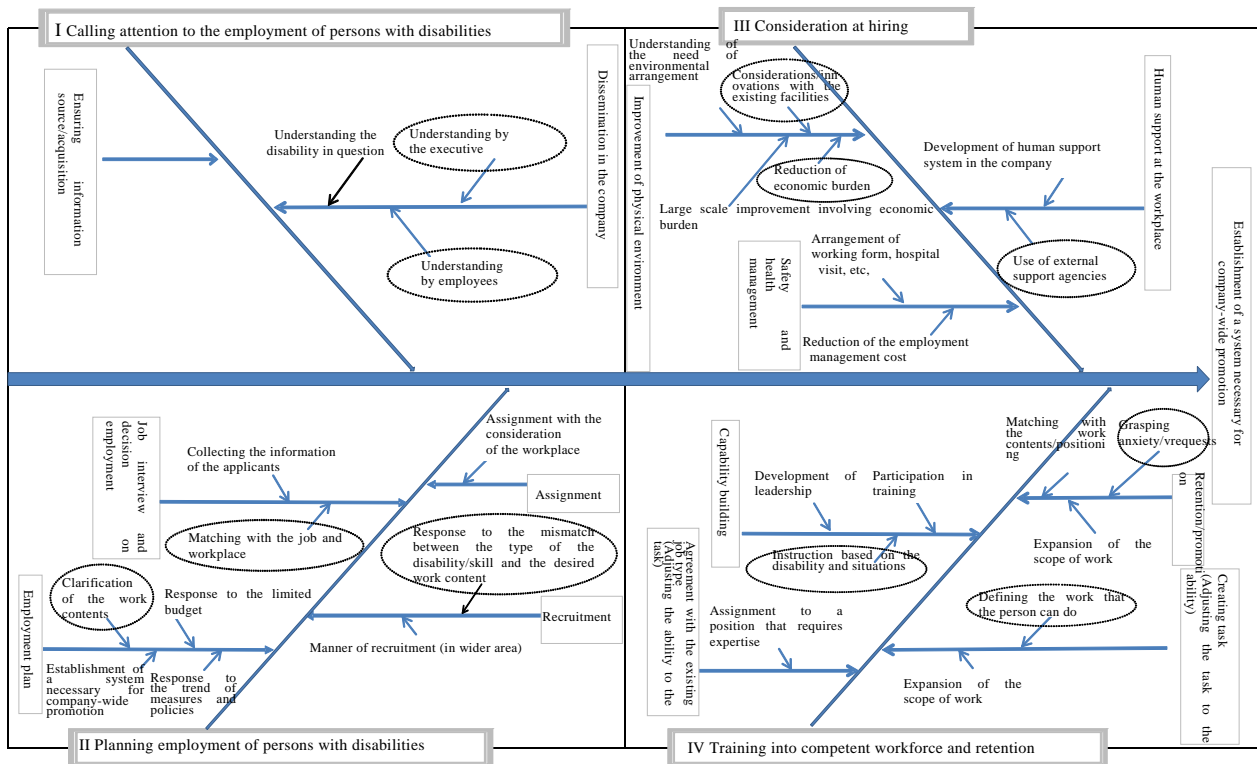


Figure 7 Cause-effect diagram of the challenges for the employment of persons with disabilities

In stage IV, following the anxiety from not knowing the ability to work at Stage I and the response to the matching of the ability of the persons with disabilities and the task at Stage II, matters relating to the training of individual persons with disabilities into a competent workforce, such as “defining the work that the person in question can do” and “instruction reflecting the characteristics of disability or situations of the person in question,” are shown as more difficult challenges.

(b) Handling at each stage of the employment of persons with disabilities

To explore how to overcome these impeding factors and develop the employment of persons with disabilities, we used the perspective of the stages of the employment of persons with disabilities (From Stage I to Stage IV) as the frame. In the exploration, we also took into account the current stage of employment of persons with disabilities and classified the companies into four groups of: not employing persons with disabilities; employing them but without arrangements of any stage; employing them and making arrangements of Stages I and II,; and employing them and making arrangements of Stages I to IV. Then, we analyzed the attitude of each group toward the employment of persons with disabilities.

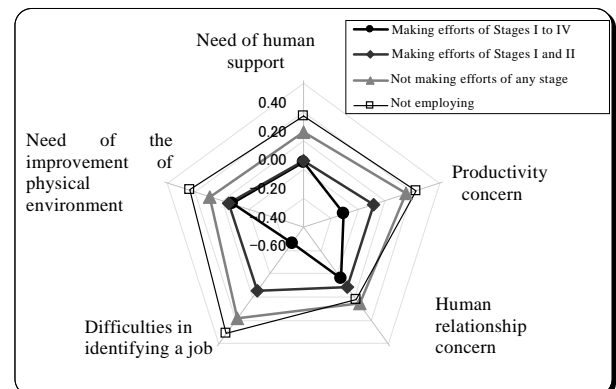


Figure 8 Difference in image (anxiety/concern) depending on the stage of efforts

First, when we look at the impression of the employment of persons with disabilities, companies not employing them and those employing them but without arrangements of these stages feel more anxiety and concern about the employment of persons with disabilities, which suggests that the anxiety and concern is a significant obstacle (Figure 8). Therefore, for the first employment or expansion of the employment of persons with disabilities, it is important to understand the disability in concern and match abilities with the jobs the persons would take part in, recognized in Stages I and II.

Next, looking at the effect on the employment of persons with disabilities, we find that there are: (1) direct effects on employees with disability and (2) spillover effects across the workplace. Effects of (1) increase gradually with the advance to a higher stage, while those of (2) are significant at the companies making efforts of Stages I to IV (Figure 9). This suggests that many companies that have overcome obstacles to the employment of persons with disabilities have done so through giving such action positive meaning, and that employment of persons with disabilities will bring benefits to both companies and employees with disabilities only when they are trained to be competent workers (Stage IV). We had thought since the beginning of this study that the training into the competent workforce would be a major point of this study and its importance was made clear by the examination of the survey results.

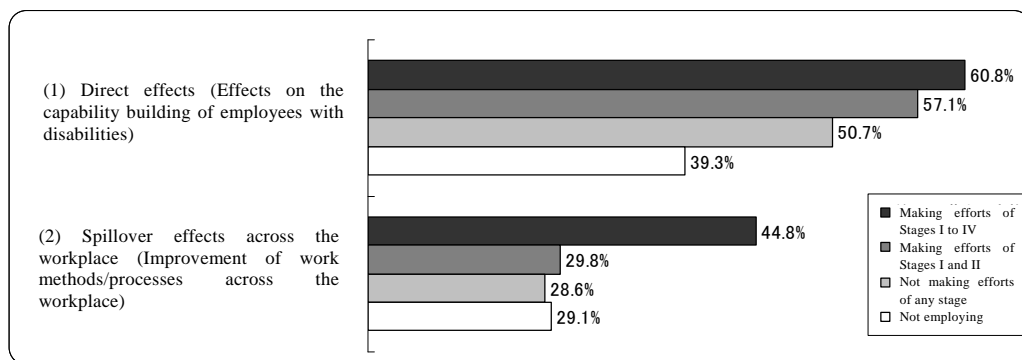


Figure 9 Difference in effects depending on the Stage

(4) Conclusion

In this study, we clarified the current status and company's consideration of the employment of persons with disabilities, together with their differences by industry, company size and the development stage of employment, through the results of a questionnaire survey, and systematically elucidated the issues and efforts involved when companies employ persons with disabilities and train them into a competent workforce, through the results of the interview survey. Here, we summarize the findings of this study and add some remarks.

a. Attitude toward employment of persons with disabilities

The necessity of the legal system to promote the employment of persons with disabilities is widely recognized. As reasons to employ persons with disabilities, many respondents mentioned the fulfillment of social responsibility and compliance. While the necessity is recognized, it was also found that many companies

face obstacles to realizing this requirement. We classified these obstacles into five groups: need of human support, productivity concern, human relationship concern, difficulties in identifying jobs, and the need for the improvement of the physical environment. They tend to increase in companies where employment of persons with disabilities makes little progress, which suggests that anxieties and concerns diminish through the process of the actual employment of persons with disabilities and taking measures for training them into a competent workforce. It is expected that such concerns and anxieties will be relieved through an understanding of the actual capabilities of persons with disabilities and the actual condition of the operation through experience, as well as through effective presentations of the cases of their employment by companies in similar industries and of similar size.

b. From promotion of understanding to efforts for training into competent workforce – Effects of the employment of persons with disabilities -

Promoting understanding in the company is an important step toward employment of persons with disabilities. The decision of executives to promote this as a management policy with high priority will serve as the driving force to overcome various challenges for employment of persons with disabilities. Winning the support of a workplace that knows the actual operation and therefore sometimes shows resistance is also an important requirement for training employed persons with disabilities into a competent workforce.

There are various challenges at the stage of planning, recruitment and training into competent workforce. In training into competent workforce, it is important to identify suitable work for persons with disabilities. Whereas some companies find difficulty in this, others identified suitable tasks through strategies such as reorganization of tasks and in-house handling of tasks that used to be outsourced. Not a few companies feel the need for environmental improvement including facilities and human support for employment of persons with disabilities, which is associated with a sense of burden. However, as to the former, though the economic burden involved is felt to be heavy, certain effects were achieved with available measures and tools in some cases. Regarding human support, there are cases where the involvement of on-site employees who thoroughly know the operation was quite effective in the training.

Effects of the efforts in recruitment and training into a competent workforce are not limited to direct ones. Some respondents mentioned cases where the efforts above spread their effect across the workplace or the company, benefiting every employee. In this sense, we can define these efforts as those to realize “a workplace where persons with disabilities can contribute the company as a competent workforce” rather than just as their employment and training. Through such efforts, we can expect an ideal workplace that enables all employees to exercise their abilities.

7. Methods of effective use of research achievements

In this study, we grasped and analyzed the background to and current state of the employment of persons with disabilities in companies, keeping the relationship with business management in mind, and then organized

measures for the future development of employment into four stages: promoting the understanding of the employment of persons with disabilities, planning the employment of persons with disabilities, arrangements at the hiring stage, training into competent workforce and retention. The results obtained through this study can be utilized as reference material for consultation and support at institutions supporting job seekers with disabilities, including the Public Employment Security Offices. We also hope that they will provide various clues for companies — from those at the preparation stage to those intending to further develop the employment of persons with disabilities — in order to find measures that suit their situations.