

Workforce Retention, Absence and Disability Management: Summary of DMEC/VCU Survey

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Rochelle Habeck, Ph.D.
Research Consultant
Virginia Commonwealth University
habeck@chartermi.net

Marcy Feuerstein
Officer, Employee Benefits
Human Resources Services
Imperial Irrigation District
MBFeuerstein@IID.com

Larry Hickey
Assistant Director, Human Resources
Manager, Employee Support Services
University of California, San Francisco
LHickey@hr.ucsf.edu

Virginia Commonwealth
University
Rehabilitation Research and
Training Center on
Workplace Supports
and Job Retention

This paper summarizes findings from a survey of employer members of the Disability Management Employer Coalition (DMEC) conducted in partnership with the Virginia Commonwealth University Rehabilitation Research and Training Center on Workplace Supports and Job Retention (VCU RRTC) in January 2008

What was the purpose of this research?

The DMEC survey was designed to explore the current status of: 1) activities used by progressive employers to promote the general retention of their workforce; 2) specific practices to prevent health and injury risks, manage health conditions, and accommodate limitations for absence and disability management; and 3) member views and experiences in hiring people with existing disabilities.

A second study of the VCU RRTC involves a qualitative, 3-year longitudinal study of four progressive employer organizations and their disability management efforts to successfully retain employees with health conditions, injuries and disabilities in employment. Directors of the disability management programs from two of these firms will participate in the discussion of the survey findings and share insights from their direct experience.

Increasing numbers of employers are adopting best practices that allow them to retain skilled workers and control costs through the provision of effective support and accommodation when employees develop potentially disabling conditions. These studies document effective employer practices for managing health and disabling conditions, explore how these practices impact job retention, and examine ways in which these strategies might be applied in the hiring process to include new employees who have disabilities. The ultimate goal of the VCU RRTC is to examine strategies and supports that are effective for assisting persons with disabilities to maintain employment and advance their careers.

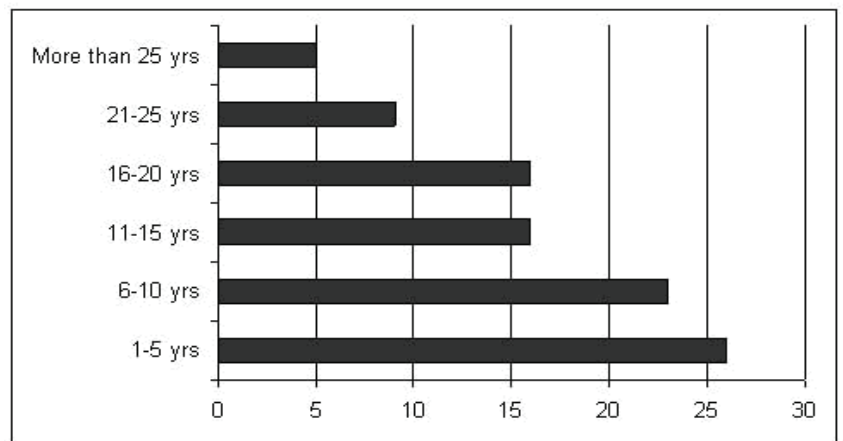
Who were the survey respondents?

The employer members of the Disability Management Employer Coalition (DMEC) were selected as the survey sample because of their proficiency and interest in the areas of recruitment and retention, employee health and productivity, and integrated disability management. A focus group meeting was held with the DMEC Employer Advisory Board in May, 2007 to examine current practices related to retention and disability management. The survey was developed from the focus group results, a comprehensive literature review, and findings from the case studies. The survey was pilot tested, revised, and uploaded to the VCU-RRTC web site for survey administration. Respondents were asked to rate the importance of practices to achieve retention, and to rate the level of development of their ADM efforts, the factors that motivate them, and the

impacts achieved. Respondents were asked to estimate the impact of ADM practices on overall employee retention, as well as their potential application in meeting the accommodation needs of new employees.

A total of 95 employer members responded, representing 15% of the potential sample of individual employer members but a much higher proportion of the total member companies (when one member responded on behalf of multiple members from the same company). The respondents represented a wide distribution of industries with the largest proportions coming from health-care (24%), manufacturing (21%), finance, insurance and real estate (14%), education (13%) and public administration (10%). The total estimated number of employees employed by the responding organizations is more than 2 million. The individual respondents ranged widely in their years of experience in absence and disability management, with about 20% having less than 3 years experience, and nearly 25% having from 17 to 33 years of experience in the field.

Respondents' Years of Experience in Absence and Disability Management



What are the retention best practices considered by these employers to be most important for promoting retention of their workforce?

Respondents rated five survey items as most important in terms of promoting employee retention:

- ▶ Employees are aware of benefits and services
- ▶ Compensation is set fairly
- ▶ The organization has a compelling mission
- ▶ Managers are credible, and employees are treated equitably and with respect
- ▶ Employees are engaged with the organization and with their jobs

All of the retention practices were rated to be considerably or very important aspects of employer efforts to retain their workforce, as consistently documented in the literature. The 5 items rated as most important for retention depict a positive corporate culture characterized by trust, equity, openness and involvement. Most respondents rated the effectiveness of their organization's retention efforts to be at least moderately effective (nearly 90%) with the majority claiming to be very or highly effective (56%). Compensation (benefit and wage levels) was the factor rated highest as affecting general retention. Flexibility in work arrangements and productivity demands was rated lowest, although it is reported to be a key factor for continued employment when health conditions arise.

What are the current best practices rated by these employers to be most important for promoting absence and disability management of their workforce?

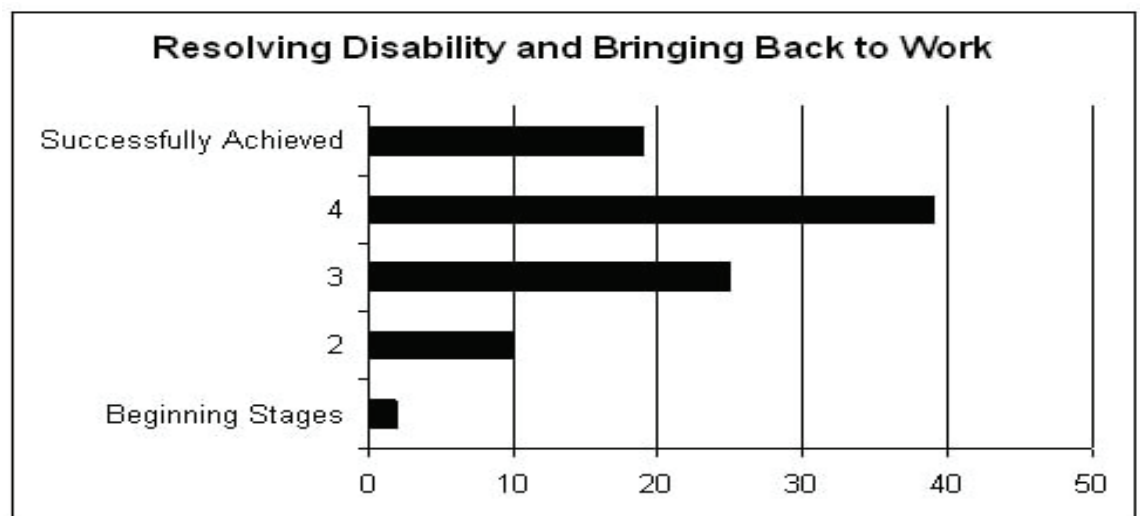
Respondents rated most of the absence and disability management practices as important, with seven items rated as very important:

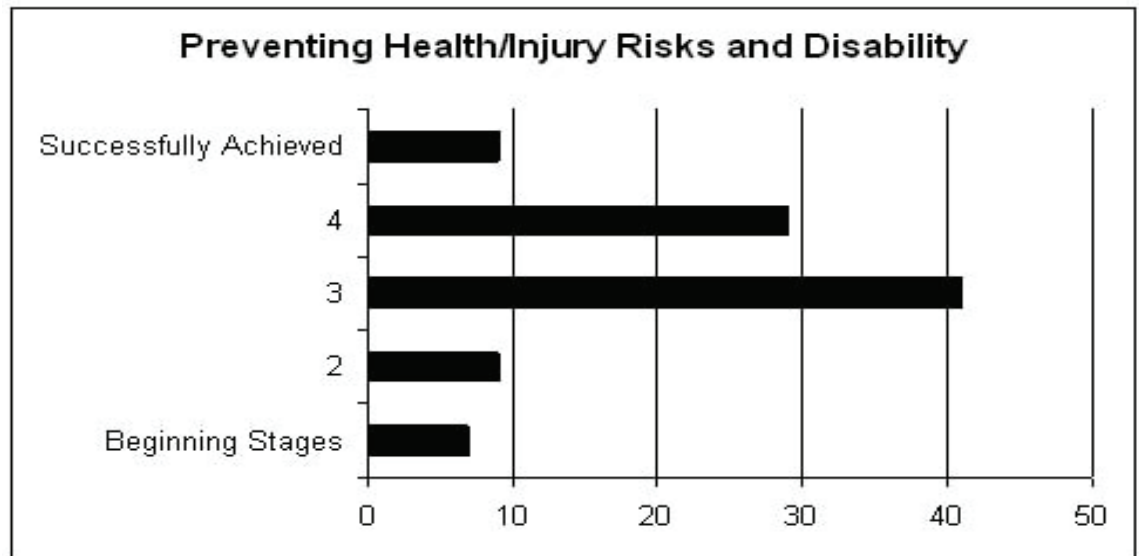
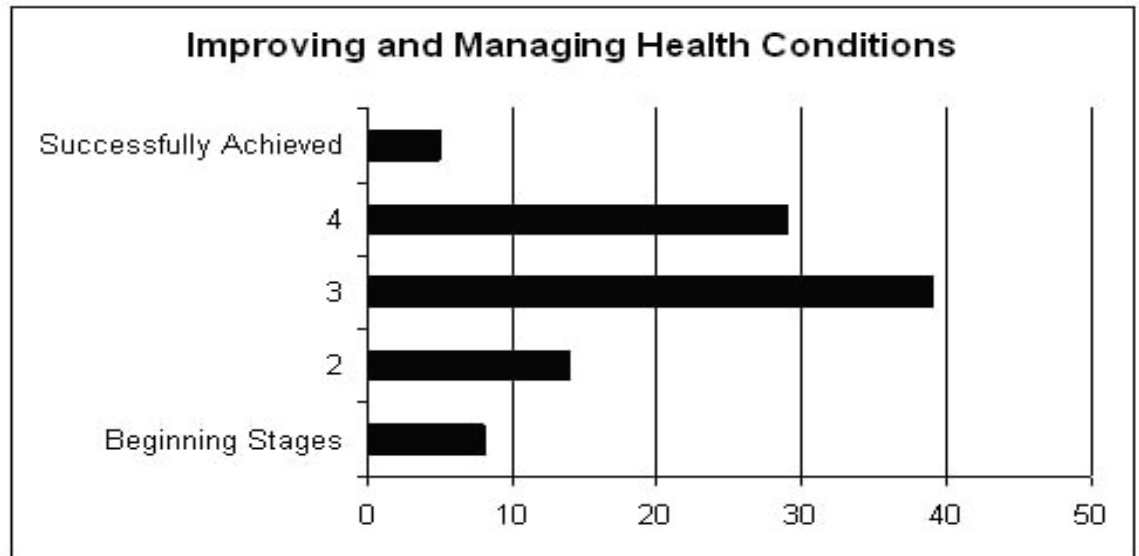
- ▶ Consistently applied RTW process
- ▶ Supervisors see value of RTW
- ▶ Culture is employee-oriented
- ▶ Safety and risk prevention targeted upstream
- ▶ Integrated approach to benefits and claims
- ▶ Direct assistance to supervisors at job site
- ▶ Very early intervention for all cases

These top seven practices capture the central tenets of disability prevention and management that have been reported in the literature, including a clear and consistently applied RTW process, supervisor buy-in with RTW, an employee-oriented organizational culture, targeting upstream with safety and risk prevention, an integrated approach (nonoccupational and occupational causes, FMLA, etc.) to benefit and claim/case management, directly assisting supervisors at the job site to make accommodations, and providing very early intervention for all types of health and injury incidents. There was less agreement about the relative importance of some other factors - such as having a designated coordinator, professional training, mental health, EAP and wellness interventions, access to open positions, and integration with overall health and productivity - despite many of these practices reported to be cutting edge aspects for realizing the full potential of absence and disability management efforts in health, productivity and retention.

How do these employers rate the status of their ADM program development?

As expected, respondents rate their organizations as being farthest along in the development of their return to work efforts, followed by their efforts in preventing health and injury risks, and last in their efforts to improve and manage health conditions.

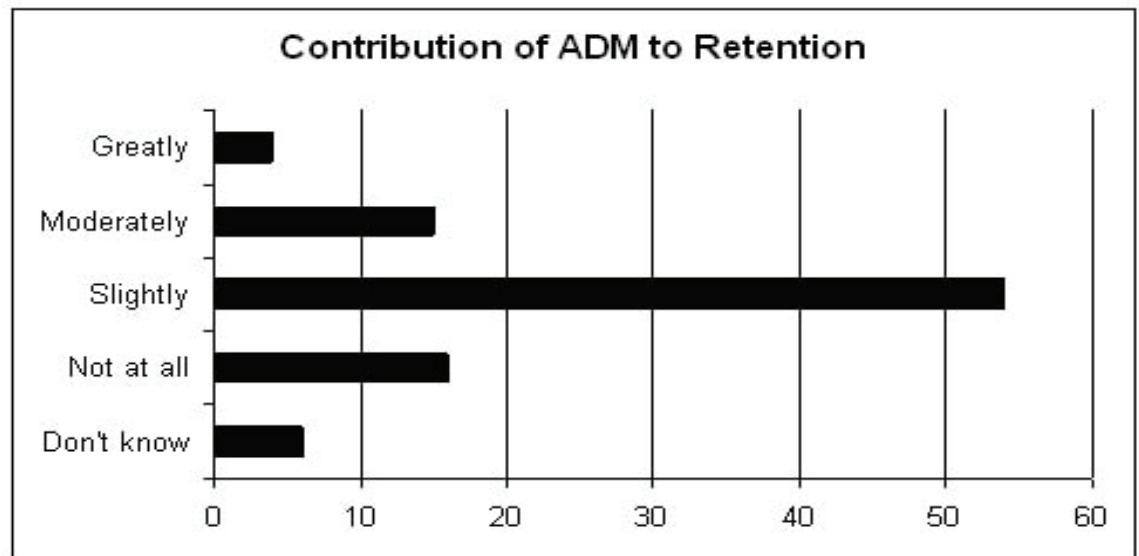




These developments mirror the evolution of absence and disability management. Initially, most disability management efforts were targeted at return to work of employees already off work on disability or workers compensation benefits. As the connection between prevention practices in safety, ergonomics and wellness and the incidence and outcomes of claims became evident, the focus expanded to disability prevention and management in a more holistic organizational approach. With data analytics made possible from integrated systems, many organizations were able to identify health risks and intervene earlier to help employees manage health conditions effectively as part of a complete absence and disability management process. Respondents were mixed in their opinions about the potential for external incentives to be effective for motivating employer efforts to prevent job exits from health conditions or disability.

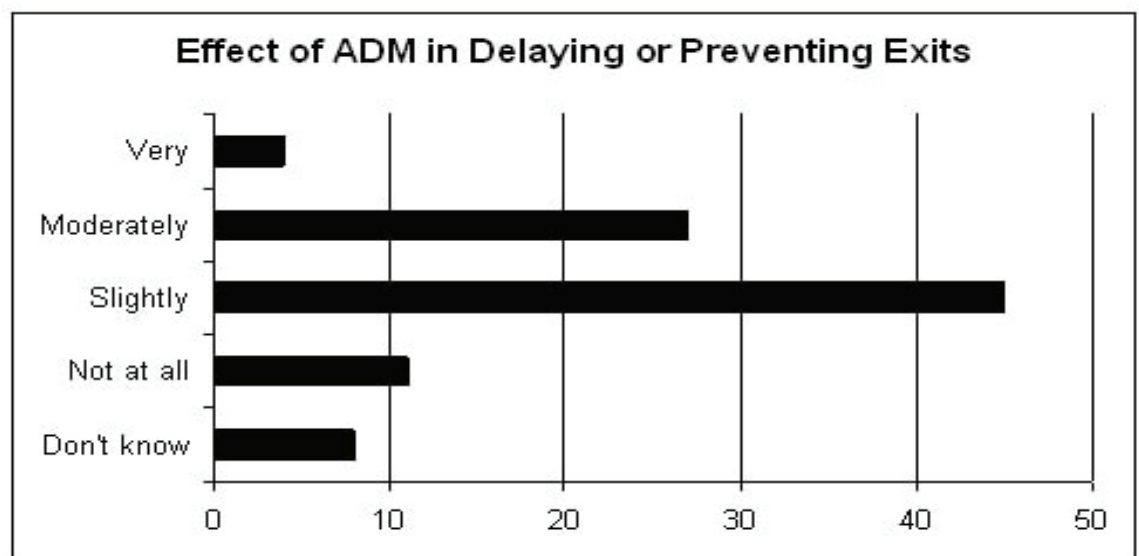
How do absence and disability management efforts contribute to the retention of employees in general?

Most respondents indicated that absence and disability management efforts had only a slight effect on overall employee retention, although others see more impact.



How do absence and disability management efforts affect the stay at work/return to work of people who develop health conditions or disabilities?

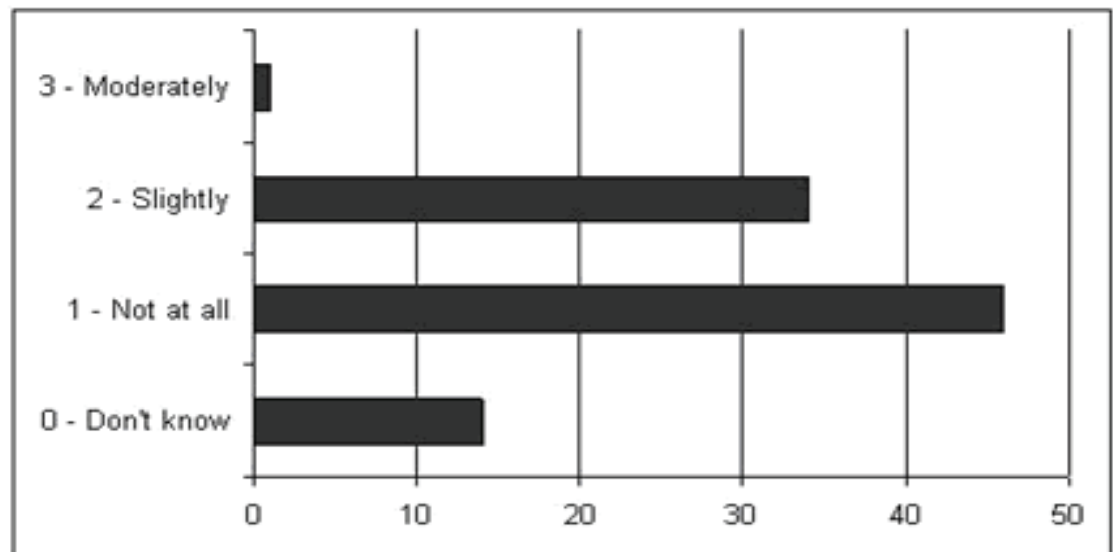
Nearly one-third of respondents indicated that absence and disability management activities had a moderate or strong effect on the employment retention and return to work of employees who develop health conditions or disabilities, while most see less impact.



Respondents reported retention of employees to be the most important factor motivating their absence and disability management efforts. This is important, as employers may become motivated to adopt accommodating practices if they can be demonstrated to facilitate general employee retention.

To what extent can organizations place employees who cannot be accommodated in their own jobs into another position in the organization?

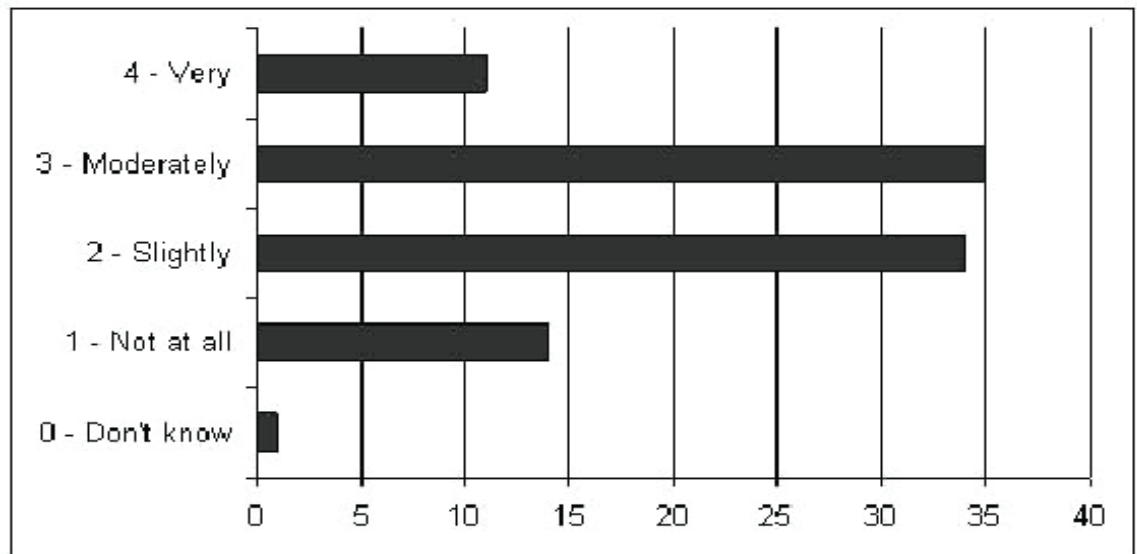
The majority of respondents are not able to place employees in alternative jobs when they cannot be accommodated in their regular position. This is a key survey finding as this issue constitutes a significant barrier to retention and limits the success of absence and disability management efforts. Further attention is warranted to experiment with alternative approaches, policies and interventions to accommodate and effectively resolve these cases.



How much potential do employers think that ADM practices have for being helpful in hiring and accommodating new employees who have disabilities, and what are their current views and experiences regarding the value of hiring new employees who have disabilities?

In general, respondents reported quite favorable expectations and experiences in hiring employees with known disabilities; although there are mixed expectations about the benefit cost risk their hiring entails.

There is a generally positive range of expectations regarding the potential for absence and disability management practices to be helpful in the organization's efforts to hire and accommodate new employees who have disabilities. It would be valuable to understand how best practices and positive experiences in retention, absence and disability management and organizational flexibility in placement of employees may contribute to favorable views and experience in employing people with disabilities.



Overall, these practices appear to have important implications for improving the long term retention of people with disabilities; both by preventing or delaying their exit from employment through policies and practices that support and accommodate, and by encouraging their entry into employment due to the favorable and open practices they use in recruiting and retaining a diverse work force.

**For more information
contact:**

Rochelle Habeck, Ph.D.
Project Director
habeck@chartermi.net



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