Employer Benefits and Cost of Employing a Person with a Disability

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Benefits and costs experienced by employers when employing a person with a disability have received somewhat limited attention by researchers thus far. Most of the work that has been done focuses on cost effectiveness, cost of accommodations and adjustments, or employer subsidies and incentives. Therefore, the authors developed a national study of employer outcomes when employing a person with a disability. Questionnaires were completed by 643 Australian employers who had employed a person with a disability. Individual performance was considered by comparison of the employee with a disability and the average employee. The average employee was rated significantly better on productivity variables, and employees with a disability were rated somewhat, but not significantly better, on reliability variables and employee maintenance variables. Organization performance was considered in terms of benefits and costs of workplace modifications, as well as changes to staff training and supervision. In each domain, employers identified more organization benefits than costs, a large majority considering the financial effect of modifications and changes cost-neutral, with financial benefit more common than net cost. Employers reported short-term, but no long-term or broader benefits from employer subsidies and/or incentives. The authors discussed the need to take a broad view when trying to understand cost effectiveness.

The most basic consideration of employer benefits and costs, according to these authors, is in terms of individual performance. Although more variable, the performance of employees with a disability as a group was in certain respects comparable that of non-disabled employees. In general, employees with a disability were rated lower than average employees and productivity factors such as speed and accuracy, but better on reliability factors such as attendance and sick leave.

The authors indicated that when considering benefits and costs of employing a person with a disability, an additional consideration is that the cost of employing a person with a disability are not constant over time. Initial cost such as modifications in the workplace, specialized equipment and training, often can give askewed indication of the cost involved as these tend to be one time cost. It is important to not only consider the impact of cost in relations to other factors such as job retention, lower maintenance cost, etc. In considering cost related to the employment of persons with disabilities, it should also be kept in mind that certain cost are associated with the employment of any new employee.

The authors conclude with noting that many benefits resulting from the employment of a person with disabilities are intangible and not easily quantifiable. Examples of intangible benefits for the new employee include improved self-esteem, self-affirmation, social contact, and personal satisfaction. The availability of a wider range of workers for an employer, improved equity in the workplace, etc., are additional intangible benefits. The value of these benefits to society, although not easily quantifiable, is none-the-less very important.

This paper is unique because of the size of employers that were studied (643) and the fact that it was an Australian population which has not been widely reported in the literature before. The study provides significant information that is helpful in assessing employer benefits and costs in the hiring and retaining process of persons with disabilities.