Four policy proposals to improve disabled people's employment and pay

To make employment inclusive for people living with disability or health conditions, there is an urgent need to rethink both how we campaign for change as well as what policy changes we are pushing for. Based on her work with the LSE, Liz Sayce discusses four key proposals that would make the workplace accessible, fair, and inclusive.

In the endeavours of successive governments to reduce the disability employment gap (currently running at 31%), supply side interventions have dominated – from employment support for individuals to incentives and sanctions embedded in social security change. There has been far less policy attention to the demand side – to making work fit for disabled people. This has been widely described as unfair.

The current framework

The government encourages employers to join – voluntarily – the Disability Confident Scheme and improve their recruitment processes. Large numbers of disabled people, meanwhile, are *required* to comply with work-related activity or job search and are subject to benefit sanctions if they fail to do so. In 2015-16 alone, there had been 69,570 such sanctions – over 60 times more frequently than employers, who in the same year were in effect 'sanctioned' only around 1,100 times by an Employment Tribunal.

How can this policy be re-balanced? Six key levers were identified following two round-tables at the LSE, together with 30 individual interviews with Disabled People's Organisations, academics, NGOs, employers, and policy experts.

1. Transparency

The first lever was transparency, based on mandatory reporting by large employers of how many disabled people they employ, at different levels, with a narrative explaining progress and action plans. Why mandatory? The 23% disability employment 'deficit' suggests that discrimination is one key factor in the disability employment gap. Discrimination may not be conscious or deliberate; nonetheless, purely educational approaches are unlikely to be effective in reducing it. In fact, there is no evidence that voluntary standards have been effective in promoting disabled people's equality in employment. Unconscious bias training has not been shown to change behaviour and is unlikely to be effective on its own.

What does seem to matter is accountability for delivering change. Research has already demonstrated that discrimination and stigma are 'entirely dependent on social, economic and political power': exercise of power is needed to reverse them. Mandatory reporting would introduce necessary accountability. If coupled with practical advice and support it could prompt organisations to collect intelligent data and use it to make their businesses more inclusive.

Getting the design of this requirement right is vital, including a period of voluntary engagement to 'test and learn'. Support and advice for employers should cover how to build cultures in which colleagues are confident to be open about their experience of disability; how to frame questions; how to break down data by impairment group; and how to use data to plan future action. Integrating reporting into wider business practice is important, both because flexibilities to employ disabled people are part of making work good for everyone; and because it may be simpler for employers to complete a single dashboard covering workforce issues such as gender, disability, ethnicity, and the living wage.

Participants thought transparency could prompt accountability, stimulate competition to drive progress, and enable disabled people to praise and challenge employers, influencing reputation. As one disabled person put it, 'we need a consumer revolution, praising organisations that are disability friendly, boycotting those that are not'.

2. Sharing risk

The second proposal was a more effective sharing of risk between government and business, especially small business. For instance, if someone has a fluctuating health condition and needs considerable time off work, it makes sense that they work when they can rather than not work at all: this could benefit them, their family, the economy, and the Treasury. But from the employer's point of view, hiring someone with a 'poor' sickness record brings risk, which creates a disincentive to employ them. Government could share this risk by paying the sick pay of someone with a fluctuating condition, or funding temporary cover for their absences (as has been recommended in more than one independent review).

Small businesses could be better supported through a one-stop portal on everything you need to know about disability; and by expansion and promotion of schemes that can cover costs of making business fully inclusive (like Access to Work).

3. Stronger rights

The third proposal focused on rights: a stronger right in practice to return to work after time off for disability or health reasons (with parallels to maternity leave), given that 340,000 disabled people leave the labour market each year, when many would prefer to stay. It would make sense to explore whether this could be achieved through regulations under the Equality Act 2010.

Stronger rights for disabled people working in the gig economy are also important. With first-hand accounts of gig businesses issuing disciplinary 'points' to contractors for length of toilet breaks or days off sick – and 'releasing' them from their contract after a set number of such points – it is important to put disability at the heart of debates on the future of work. The argument that flexibility is one-way – in favour of the business – is especially significant for disabled people, many of whom need flexibilities to work at all.

4. Leadership

The fourth proposal was government and public sector leadership, including bending the billions spent on public contracts to incentivise employment of disabled people; leading by example as good employers; and, at local level, bringing together sectors with labour or skills shortages, Disabled People's Organisations, colleges, and health services to enable employers to benefit from new labour pools.

Other policy areas impinge significantly on disabled people's employment and participants discussed requirements from inclusive education to specific issues in social security design: for instance, the conditionality in Universal Credit that expects people in part-time work to seek to extend their hours or pay. This could act as a disincentive for some disabled people, who are anxious they may be expected to increase hours beyond the level they find manageable given their energy or pain.

Conclusion: why does inclusive employment matter?

An overarching message from the round-tables was that making future employment inclusive was part of achieving 'good work' for everyone. Flexibility about when and where people work – within business requirements – can enable everyone to work to their best and benefit productivity. Flexible division of tasks within a team can benefit productivity in relation to the person with a learning disability who thrives when they can learn one set of complex tasks and stick to them; and equally to the person who has greater strengths in analysis than customer service. In this sense, 'job carving' – often listed as an adjustment for disabled people – means playing to people's strengths and is simply part of good management.

But there is a proviso: disabled people often require adjustments in order to function at all; it is not a matter of choice. For instance, if shift patterns mean some colleagues must travel in the rush hour, the person whose painful arthritis makes this impossible should have priority for flexible hours. Treating people differently can be necessary to achieve substantive equality. And, with 40% of the working age population predicted to have a long-term health condition by 2030, inclusive working will increasingly matter to business success.

Taken together, our proposals have the potential to improve employment opportunities, not only in terms of the number of people in work (government is currently committed to a million more disabled people employed by 2027), but also in terms of pay and seniority. This could create a virtuous cycle. One of the most effective ways of overcoming fear of difference, and discrimination, is contact, on at least equal terms. What better way to reduce bias than for more and more non-disabled people to have openly disabled bosses and colleagues, thereby making it more likely the organisation will employ further disabled people in the future, who in turn will influence attitudes and make inclusion more likely?

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Note: Comments are welcome on the ideas in this blog. A full report will be published in the Autumn.

About the Author

Liz Sayce is a Joseph Rowntree Research Fellow in Practice at the LSE International Inequalities Institute and former Chief Executive of Disability Rights UK.

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