

K. Lisa Yang and Hock E. Tan
Institute on Employment and Disability

**Initial Impact of Section 503 Rules: Understanding Good Employer Practices
and the Trends in Disability Violations Among Federal Contractors**

**Chief Evaluation Office (CEO)
Labor Research and Evaluation (LRE) Grants
Final Report**

Report by: Hassan Enayati and Sarah von Schrader
Updated: 6/15/20

Funding is provided by the United States Department of Labor under cooperative agreement number IL-EO-30273-17-60-5-36. This material does not necessarily reflect the views or policies of the United States Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement by the United States Government. 100% percentage of the total costs of the project or program is financed with Federal funds, for a total of 249,999 dollars.

Introduction

Overview. The intent of Sections 501 and 503 of the Rehabilitation Act of 1973, and later Title I of the Americans with Disabilities Act of 1990 (ADA), was the improvement of employment outcomes and the elimination of employment discrimination against individuals with disabilities. These groundbreaking laws affirmed that equal employment opportunity (EEO) is a right of people with disabilities and led to important changes in employer practices around disability (Bruyère, Golden, & VanLooy, 2011), yet individuals with disabilities continue to be significantly unemployed and underemployed compared to their non-disabled peers. In 2014, 34.6% of individuals with disabilities of working age (21-64) were in the workforce, compared to 77.6% of people without disabilities (Erickson, Lee, & von Schrader, 2016). People with disabilities who are employed still experience lower pay, less job security and training, fewer opportunities for advancement, and less participation in workplace decision-making than do non-disabled employees (Schur, Kruse, & Blanck, 2005).

In March 2014, new regulations went into effect related to the implementation of Section 503 of the Rehabilitation Act of 1973, as amended (Section 503), setting new requirements for federal contractors and subcontractors, both groups called contractors henceforth, related to non-discrimination and affirmative action in the employment of qualified individuals with disabilities. For example, contractors now are required to offer applicants and employees the opportunity to self-identify as a person with a disability and further to use the data collected to understand their progress toward a 7% utilization goal for employment of individuals with disabilities.¹ The overall goal of this project is to understand the initial impact of these regulations on employer practices and consequently on the employment environment for

¹ See <https://www.dol.gov/ofccp/regs/compliance/section503.htm> for more description.

individuals with disabilities. The study uses both existing administrative and field survey data to achieve three supporting objectives: 1) understand the characteristics of firms with and without evidence of a disability violation under EEO laws; 2) examine the initial impact of changes to Section 503 regulations on the observed patterns of employers with disability violations; and 3) build an understanding of effective practice and policy as contractors have initially responded to Section 503 regulations.

Expected Impact of Research Project and Relation to DOL Topic Areas. This project directly addresses the Department of Labor (DOL) topic areas of “Improving Equal Employment Opportunities for Targeted Populations” and “Innovative Approaches to Evaluating the Impact of Department of Labor Worker Protection Programs and Policies Using Existing Administrative or Other Data” through each of its three main objectives. Multiple meetings with Office of Federal Contract Compliance Programs (OFCCP) staff helped to shape and refine the components of this study to best address the current needs of OFCCP, employers, and individuals with disabilities. The project documents the trends in the probability of a violation, bases of violations, and instances of discrimination, as well as identify employer characteristics that are predictive of noncompliance. Moreover, this analysis sheds light on the initial impact of the new Section 503 regulations on the trends in violations and also the predictors of compliance. With the new regulations not fully in effect until March of 2015, this project provides the American public, employers, and program administrators with increased awareness of the prevalence and predictors of disability violations. This project also highlights which workplace policies and practices contribute to federal contractors meeting their goals around disability employment and will identify issues related to the actual implementation of Section 503 from the employer’s perspective.

These three pieces of information will be exceptionally valuable to OFCCP as well as to other organizations who work with employers to encourage good practices around disability inclusion. Providing a rigorous analysis of the trends and predictors of disability violations while also engaging federal contractors to provide feedback on their actual experiences will allow OFCCP to respond to employers' concerns, such as self-identification, and help guide approaches to proactively address them in order to achieve the objective of improved employment outcomes for individuals with disabilities.

Conceptual Framework

Background. Social science research examining the patterns and factors related to employment discrimination on the basis of disability has grown rapidly in the last 25 years. Much of the early literature studied the introduction and impact of the 1990 passage of the Americans with Disabilities Act (ADA), which, among other things, outlawed discrimination in compensation, hiring, and termination (Acemoglu & Angrist, 2001; Beegle & Stock, 2003; Blanck, 1994; Burkhauser, 1997; Brannick & Bruyere, 1999). Another wave of research surveyed employers to understand how different types of companies were responding to the requirements of the ADA (Bruyere, Erickson, VanLooy, 2006). Recently, researchers conducted the first field experiment of disability and hiring in the U.S. by submitting job applications with cover letters containing randomly assigned disability disclosures to identify discrimination (Ameri, Schur, Adya, Bentley, & Kruse, 2015).

A separate strand of disability discrimination research focuses on understanding the characteristics of employers with documented violations. These studies often use administrative data from the Equal Employment Opportunity Commission (EEOC) containing information on discrimination charges citing the ADA (Moss, Ullman, Starrett, Burris, & Johnsen, 1999; von

Schrader & Nazarov, 2014). The evidence using these data document a high prevalence of employment disability charges brought against employers, with an annual rate of 82 ADA charges per 10,000 people with disabilities in the labor force (Bjelland, Bruyere, von Schrader, Houtenville, Ruiz-Quintanilla, & Webber, 2010).

Although useful, the body of literature that uses the charge data is limited by two key features of the data itself: selection of employers and selection of charges. First, the charge data document instances where a charge was filed; this prevents researchers from comparing employers who receive charges to those who do not. Dr. von Schrader (Co-PI) has taken the initial steps to examine employer characteristics associated with disability discrimination charges by utilizing a sample of EEO-1 employer reports from employers with at least 50 employees (von Schrader & Nazarov, 2014). Second, the number of charges do not exactly reflect the underlying incidence of employment discrimination. This is due to two distinct situations: instances where charges are filed with a lack of supporting evidence, and instances where discrimination took place but no charge was filed. While examination of charge data has illuminated the employer characteristics associated with higher rates of ADA charges, a void remains in our understanding of the characteristics that distinguish a firm in compliance with EEO laws to one in noncompliance.

Intervention. Our project aims to fill this void by utilizing unique data sources and the introduction of the new rules under Section 503. In March 2014, the DOL issued new rules under Section 503, which were designed to improve the employment outcomes for individuals with disabilities. The new rules focused on seven key areas: 1) modify hiring strategies in order to achieve the utilization goal of individuals with disabilities representing seven percent of the workforce; 2) invite applicants and employees to voluntarily self-identify as having a disability;

3) collaborate with organizations that can build the pipeline of recruits with a disability; 4) collect data on disability representation at various stages of the employment process; 5) use specific language when collecting disability self-identification data; 6) inform OFCCP of the methods used to collect data on disability representation; and 7) ensure practices are aligned with the 2008 ADA Amendments Act.

The OFCCP monitors and enforces the new rules of Section 503 for covered employers. Firms with federal government contracts or subcontracts of at least \$10,000 qualify as covered employers. Section 503 is intended to support the improved employment outcomes of individuals with disabilities by establishing a system where employers develop affirmative action programs for the hiring of individuals with disabilities, expand the pipeline of job candidates with a disability, and improve data collection on disability representation.

Effect. The introduction of the new Section 503 rules potentially impact the behavior of employers as well as the outcomes of OFCCP audit reviews. Section 503 established a benchmark in the aspirational goal of a seven percent utilization goal for individuals with disabilities. Given the increased focus on the employment of individual with disabilities, we hypothesize that Section 503 may have affected:

- the probability of receiving a violation;
- patterns of technical violations to discrimination violations;
- employer characteristics that predict a violation;
- employer practices supporting the attainment of the utilization goal, including changes to or introduction of targets and goal setting related to disability, including:
 - setting targets relating to the outreach, hiring, utilization, retention, and advancement of employees with disabilities;

- new practices around self-identification data collection and encouraging response to data collection efforts; and
- expansion of or new practices related to recruitment, communication and training, and accommodation and networking.

Research Questions and Project Objectives. This study's first objective (**Objective I**) aims to fill the void in our understanding of the characteristics that distinguish a firm in compliance with EEO laws to one in noncompliance by using a data source with information on firms with and without evidence of a disability violation under EEO laws. The Office of Federal Contract Compliance Programs (OFCCP), under the Department of Labor (DOL), is tasked with enforcing affirmative action and EEO laws among businesses contracted with the Federal government. One of the OFCCP's enforcement procedures includes the periodic monitoring of contractors and the production of compliance reports. Since 2005, the OFCCP closed roughly 4,620 reviews per year and found 18 percent of reviews indicated a violation (Maxwell, Moorthy, Francis, & Ellis, 2013). Preliminary analysis of the OFCCP data shows the fraction of establishments with a disability violation rose from 2.3% in 2005 to 16.4% 2013. An analysis of EEO violations and discrimination on the basis of disability using the OFCCP audit data, a previously untapped source by disability researchers, will extend the field's knowledge on EEO violations. By using comprehensive reviews of a sample of employers (both with and without a violation) as opposed to charge data, the study is able to address the two sources of selection described above.

Under **Objective I**, we will examine the following research questions. How are contractor characteristics such as size, industry, and position within a larger firm related to the probability of a violation on the basis of disability? How do employers with disability violations

compare to employers with other bases of violations (e.g., sex, color, national origin, religion, or veteran status)? Is the incidence of violations prior to 2013 impacted by whether the review was initiated under the OFCCP's selection system as opposed to the non-selection system? For completeness under **Objective I**, we will additionally examine changes in the extent of EEO violations over time as documented by the OFCCP audit review process, which range from "technical only" violations (which would likely require administrative directive) to "discrimination" violations (which require more extensive remedies). This analysis will compare the trends in audits that determine disability violations to the trends in violations on the basis of sex, color, national origin, religion, or veteran status. We will further explore the reasons OFCCP identified a disability discrimination violation (e.g., hiring, selection/testing, salary, systematic, or other violation).

The second objective of this study (**Objective II**) is to leverage OFCCP audit data to examine the initial impact of changes to Section 503 of the Rehabilitation Act on the observed patterns of employers with disability violations. We will achieve this objective by focusing on three research questions. How did the probability of receiving a violation change after the implementation of Section 503? How did the patterns of technical violations to discrimination violations change post policy change? How did the employer characteristics that predict a violation change after Section 503? The findings from **Objectives I** and **II** will help individuals with disabilities, employers, program administrators like OFCCP, and policymakers by allowing employers to identify risk characteristics associated with violations and remedy them.

Our third objective (**Objective III**) is to conduct a survey of federal contractors to build an understanding of how their employer policies and practices have initially responded to the new Section 503 regulations. The requirements related to data collection will allow federal

contractors to evaluate their success in meeting disability employment goals, including the 7% utilization goal. However, as research has demonstrated, individuals with disabilities are hesitant to disclose their disability (Santuzzi, Waltz, Finkelstein & Rupp, 2014). Employer climate, practices and policies have been found to make a difference in an individual's willingness to, and comfort in, disclosing a disability (von Schrader, Malzer, & Bruyère, 2013). Further, certain employer practices are more likely to lead to the hiring of individuals with disabilities (Erickson, von Schrader, Bruyère, VanLooy, & Matteson, 2014). In order to understand the preliminary impact of Section 503, it is essential to hear directly from employers about how their processes, including the review of data and practices, have changed in response to the new regulations. By developing a better understanding of what is working (or not) and the issues contractors are encountering, OFCCP can better support all contractors and help to achieve the ultimate goal of the new regulations – increased employment of individuals with disabilities.

The survey will focus on how employers are responding to the additional requirements under the new Section 503 regulations guided by the following four research questions. What approaches to disability data collection and analysis are employers using? What are response rates and self-identification rates for these data collections? What changes in key policies and practices were made as a result of changes to Section 503 regulations, particularly those designed to increase the talent pipeline of people with disabilities and increase the self-identification of individuals with disabilities? What were challenges associated with implementing the recent 503 regulations?

OFCCP Audit Review Study

Data

OFCCP Audit Review Files. The data to conduct the analyses under Objectives I and II come from three sources. The first source is a collection of data files publically available from the Chief Evaluation Office (CEO) within the DOL of previously linked OFCCP reviews from 2003 through 2012. We supplemented this foundation of data with OFFCP review records from 2013 through 2018, which are housed in the publically available Data Enforcement data catalog of the DOL. Finally, the DOL provided this project access to the complaint evaluation violation data for reviews from 2013 through 2018.

The CEO within the DOL provides a longitudinal administrative data set of OFCCP reviews from 2003 through 2012. The publicly available file links data from three sources: OFCCP final records of contractor reviews, information regarding the terms of the remedies of any violation found during the review process, and unemployment measures from the Bureau of Labor Statistics (Maxwell et al., 2013). The file contains the complete universe of OFCCP reviews closed from 2003 through 2012: 46,196 reviews among 31,498 contractors. The structure of the file allows one to track anonymous contractors and parent firms over time.

The linked file contains establishment identifier variables and contractor characteristics, including size, industry, and parent firm status. It also details the investigative selection method used by OFCCP and violation characteristics, such as code (i.e., hiring, selection/testing, salary, systematic, or other), basis (i.e., disability, sex, color, national origin, religion, or veteran status), and number of victims. Information on remedies, sanctions, and region are available.

Similar data for reviews closed during the fiscal years 2013 through 2018 are collected from the Department of Labor's Enforcement Data Catalog

(https://enforcedata.dol.gov/views/data_catalogs.php). This project uses the OFCCP Compliance Evaluation and Complaint Investigation Data. The dataset, which contains a data dictionary, metadata, and main data files, provide information on OFCCP's evaluation and investigation efforts to enforce EEO-mandated laws. The compliance evaluation data describe 14,046 reviews and include information including type of closure, existence and type of violation, firm size, numbers of female and minority employees, and other firm and establishment characteristics. The complaint investigation data contain 847 reviews and corresponding indicators for types of discrimination and other specific types of violations.

Using the Enforcement Data Catalog, the available information in the Compliance Evaluation file provided a wealth of information but does not contain the violation basis or bases for records that did not close with a notice of compliance. The DOL graciously agreed to share these data with the researchers for the purposes of this study. The additional file described the violation type and the basis or bases of the violation for the 7,078 evaluation reviews closed between 2013 and 2018.

As documented in Table A1, the final sample covered 49,621 closed reviews of 42,904 contractors between 2004 and 2018. Data from 2003 were excluded as the number of reviews substantially differed from the trend during that period in time as was discussed in the prior data documentation (Maxwell, Moorthy, Francis, & Ellis, 2013). The second column of Table A1 reports the number of reviews closed in a given year. We observe a sharply declining trend, with the number of reviews falling by an order of magnitude from 6,158 in 2004 to 662 in 2018. Between 2006 and 2014, the number of reviews stayed above 3,223. The 2015 fiscal year marked the first time since 2005 that the number of reviews fell below 3000, and the number has

continued to decline. Notably, column 3 shows that the number of unique contractors represented in the reviews fell by at a comparable rate relative to the reduction of cases reviewed.

Table A1: Trends in the Volume and Outcomes of Reviews

Year	All Closed Reviews (N)	Contractors	No Violations		Discrimination Violations		Technical Violations	
			(N)	(%)	(N)	(%)	(N)	(%)
2004	6158	5950	5664	92.0	37	0.6	457	7.4
2005	2577	2262	2174	84.4	52	2.0	351	13.6
2006	3868	3500	3350	86.6	65	1.7	453	11.7
2007	4720	4513	4102	86.9	58	1.2	560	11.9
2008	4185	3999	3523	84.2	78	1.9	584	14.0
2009	3763	3569	3062	81.4	78	2.1	623	16.6
2010	4797	4362	3800	79.2	77	1.6	920	19.2
2011	3474	3146	2493	71.8	77	2.2	904	26.0
2012	3223	3027	2075	64.4	90	2.8	1058	32.8
2013	3503	2196	2540	72.5	324	9.2	639	18.2
2014	3494	1995	3016	86.3	184	5.3	294	8.4
2015	2441	1591	1990	81.5	143	5.9	308	12.6
2016	1627	1282	1289	79.2	106	6.5	232	14.3
2017	1129	991	874	77.4	74	6.6	181	16.0
2018	662	521	523	79.0	50	7.6	89	13.4

Note: Trends in the volume and outcomes of reviews between 2004 and 2018.

There are a few reasons for the reduction in the number of reviews over time. First, the 2013 sequestration and the corresponding furloughs. Following the sequestration, OFCCP implemented a voluntary staff reduction, which may have affected the number of closures per year. More significantly, OFCCP leadership decided to strategically conduct fewer but more thorough reviews that would be better designed to identify discrimination in 2015 and 2016 by removing case closures from its operating plan targets and compliance officer performance appraisal metrics. OFCCP anticipated a reduction in the number of reviews as each would take more time to gather more complex and systemic information.

Columns 4-9 of Table A1 report the trends in the findings of the reviews. In 2004, 92.0 percent of reviews ended with the determination that no violation was found, 0.6 percent determined there had been a discrimination violation, and 7.4 percent determined there had been a technical violation. By 2018, reviews ending with the determination of compliance fell to 79.0

percent; whereas, the discrimination and technical violations were up to 7.6 and 13.4 percent, respectively.

The summary statistics for this sample separated by pre-Section 503 years (i.e., prior to 2014) and post-Section 503 years in Table A2. Prior to Section 503 implementation, 81.4 percent of reviews determined no violation or that the contractor was in compliance compared to 82.2 percent in the post period. Looking at the basis of the violation, we defined a review finding a disability violation if any of the bases for violation included disability. Likewise, the other disability category indicates that a review found evidence of at least one violation but none of them were on the basis of disability. Findings of disability violations occurred in 7.9 and 7.0 percent of review in the pre and post periods, respectively. The rate of determination of other violations did not change between the periods.

Table A2: Summary Statistics

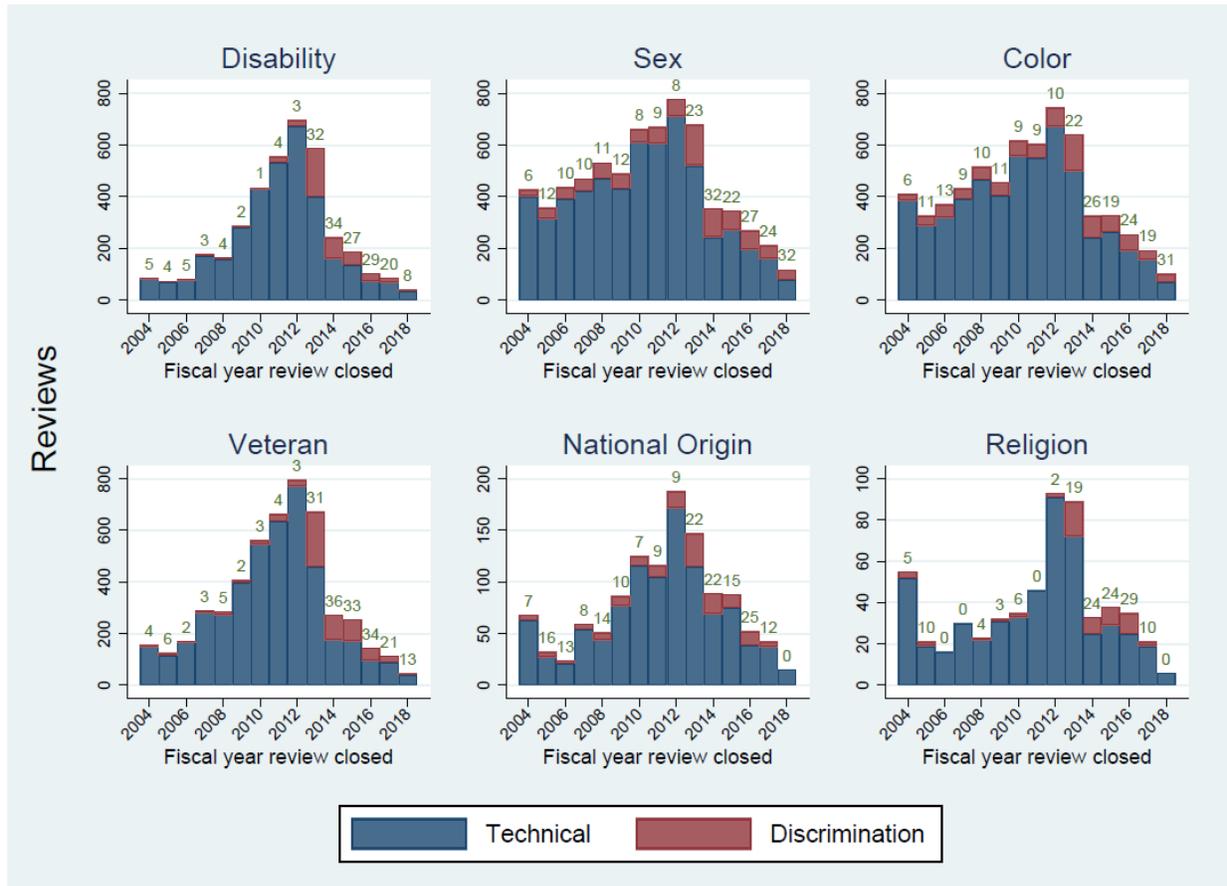
	(1)	(2)
	Pre	Post
No Violation	0.814 (0.389)	0.822 (0.382)
Disability Violation	0.0780 (0.268)	0.0699 (0.255)
Other Violation	0.108 (0.310)	0.108 (0.310)
Discrimination Violation	0.0232 (0.151)	0.0596 (0.237)
Technical Violation	0.163 (0.369)	0.118 (0.323)
Log Size	5.446 (0.937)	5.582 (1.112)
Has Parent	0.795 (0.404)	0.919 (0.272)
Manufacturing	0.334 (0.472)	0.219 (0.413)
Professional	0.118 (0.323)	0.178 (0.382)
Health	0.0628 (0.243)	0.0945 (0.293)
Administrative Support	0.0864 (0.281)	0.0758 (0.265)
Other Industry	0.399 (0.490)	0.433 (0.496)
Northeast	0.137 (0.344)	0.129 (0.335)
Mid-Atlantic	0.146 (0.353)	0.139 (0.346)
Southeast	0.208 (0.406)	0.189 (0.391)
Midwest	0.186 (0.389)	0.224 (0.417)
Southwest	0.153 (0.360)	0.138 (0.345)
Pacific	0.170 (0.376)	0.181 (0.385)
Non-Selection	0.175 (0.380)	. (.)
Observations	40268	9353

Note: Standard deviations are reported in parentheses.

Table A2 also reports the characteristics of the firms contained within the data. Firm size was similar over time. There was a noticeable increase in the proportion of contractors with a parent company in the post period, 0.92 compared to 0.80. The distribution of industries also

shifted with fewer manufacturing and more professional firms. Despite OFCCP’s changes in how reviews were conducted, the regional representation was fairly similar over time.

Figure A1: Time Trends in Technical and Discrimination Violations by Basis

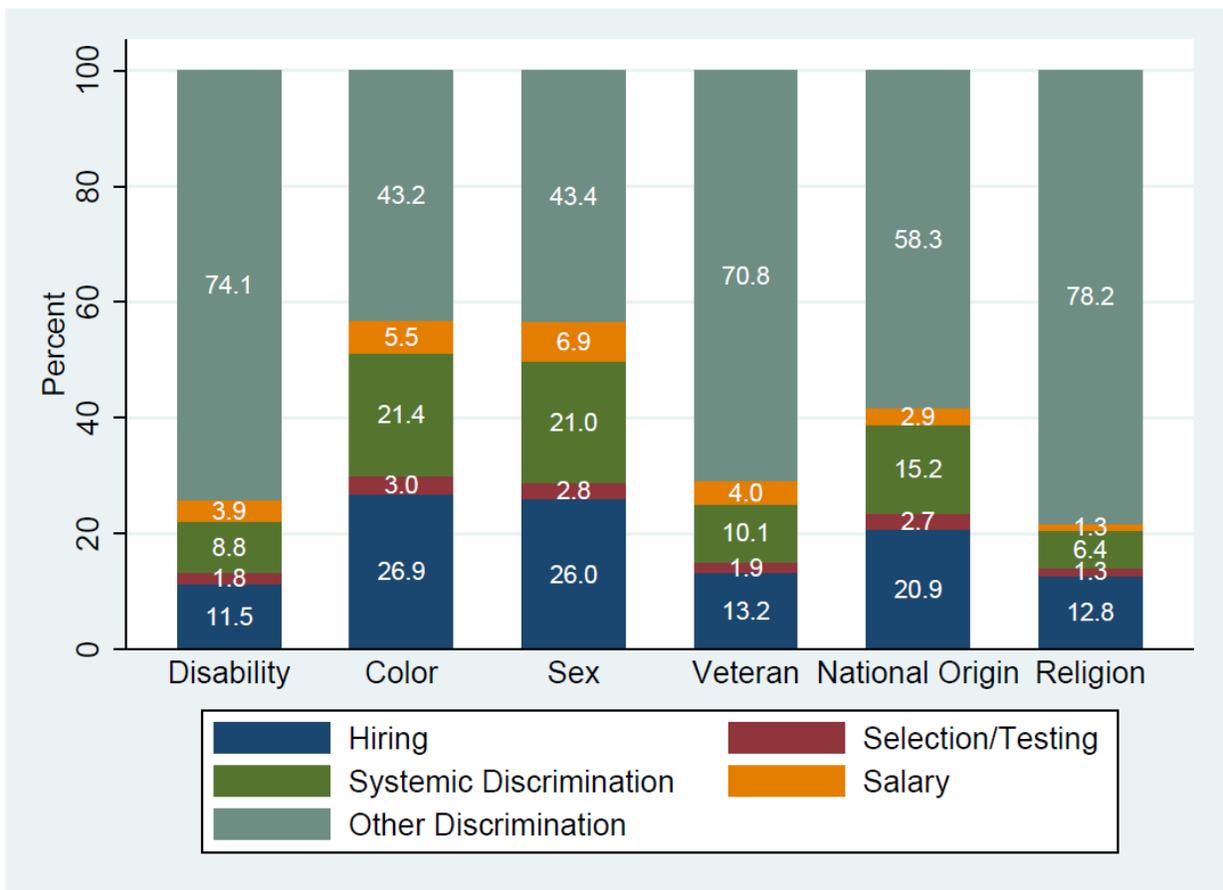


Note: This figure plots time trends in technical and discrimination violations by basis. For each base, the number of cases coded as having a technical or discrimination violation are plotted as stacked bar charts. The green numeral above each column is the percent of all cases determined to have a discrimination violation.

There are important time trends in the violations by basis. Figure A1 illustrates trends in technical and discrimination violations by the bases of disability, sex, color, veteran, national origin, and religion. The six panels show how both the number of violation determinations changed over time and also how the composition of the violations changed over time. To varying degrees, all panels show an increase in the number of cases of technical violations in the middle of the sample time window. Starting in 2013, all bases show a marked drop in the number of

technical violations but a notable increase in the number and composition (i.e., the percent of all cases determined to have a discrimination violation). It is worth pointing out that an analysis of the initial effect of Section 503 that used only disability review data would be challenged with removing the broader changes made by OFCCP in how it conducted the reviews. The fact that this analysis can use variation across all six bases allows the model to account for the change in review priorities of the OFCCP.

Figure A2: Violation Code by Basis



Note: This figure plots the reasons for the finding of a violation by basis.

Figure A2 highlights the differences in the reason for the finding of a violation by basis. Among reviews citing a violation on the basis of disability, we examine the percent that citing hiring, selection/testing, systemic discrimination, salary, and other discrimination as the reasons

for the violation, finding 11.5, 1.8, 8.8, 3.9, and 74.1 percent, respectively. Looking across the bases, we note two general distributions. The first, which includes violations on the basis of disability, veteran, and religion, have roughly three-quarters with the finding of other discrimination, a sixth being a mix of hiring, selection/testing, and salary, and a ninth systemic discrimination. The other distribution has a smaller shares of violations due to other or systemic discrimination (i.e., half and a fifth, respectively) and about a third due to hiring, selection/testing, and salary.

Methods

To achieve **Objective I**, we analyze OFCCP data by considering two distinct metrics. First, we explore the probability of receiving a violation, controlling for firm characteristics and time trends. A logit model is motivated by a latent variable model of the following form

$$Y_{it} = \beta_0 + X_{it}\beta_1 + c_t + \varepsilon_{it} \quad (\text{Eq. 1})$$

where Y_{it} is an indicator equal to one if firm i is found to have any violation in year t . X_{it} are a set of firm characteristics including log of establishment size, an indicator for having a parent company, industry, and region. Year fixed effects are included in the model with the c_t term. Idiosyncratic error, ε_{it} , is clustered to be made robust to heteroscedasticity.

The resulting estimates inform us about the relationship between employer characteristics and the probability of any violation. Here we contribute to the field by incorporating firms with no violations into the understanding of key characteristics of firms not in compliance with EEO and affirmative action laws.

The second metric assesses the violation category. Using information on the firms found to have a violation, we assess the patterns of where in the employment process (i.e., recruitment, hiring, or retention) the violation of an EEO law is taking place. Separately, we incorporate the

selection method (e.g., whether the firm was audited under the neutral selection system or due to a complaint) as a measure into a simple logit model to describe how the cause for review is associated with OFCCP’s findings in years prior to 2013. The findings from these analyses, which will provide employers, ADA centers, and OFCCP with a clear understanding of the types of employers with violations.

In order to examine the impact of Section 503 on disability violations (**Objective II**), we utilize the Department of Labor’s Enforcement data for closed reviews between fiscal years 2013 and 2018, supplemental DOL data, as well as the previously collected audit review files. An interrupted time series (ITS) approach is used to examine how the new rules of Section 503 changed the observed patterns in employers receiving EEO violations. ITS measures the impact of an intervention by comparing the pattern of pre-intervention data to post-intervention data (Linden & Adams, 2011; Shaughnessey, Zechmeister, & Zechmeister, 2012). The ITS approach has sufficient years of data in both the pre-policy and post-policy periods to estimate the initial impact of the policy, including 11 pre-policy years, 1 policy introduction year, and 3 post-policy years.

While the focus of this study is to examine the effect of Section 503 on disability violations, we leverage information on violations with bases other than disability to serve as a comparison group. The assumption needed for these other violations to serve as a comparison group is that the introduction of the new rules did not impact the criteria to align with EEO laws for other bases such as sex, color, veteran, national origin, or religion. The latent variable model that motivates this analysis is

$$Y_{itj} = \gamma_{0j} + \gamma_{1j}YRS_t + \gamma_{2j}POST_t + \gamma_{3j}YRS_tPOST_t + \gamma_{4j}X_{it} + v_{itj} \quad (Eq. 2)$$

where Y_{ijt} is an indicator of either no violation, any disability violation, or other violation for establishment i in year t for outcome j . YRS_t is the time since the start of the study. $POST_t$ is an indicator variable equal to one for years following the introduction of the policy. X_{it} are a set of firm characteristics as described above. Idiosyncratic error, v_{ijt} , is clustered to be made robust to heteroscedasticity and serial correlation.

As mentioned, Y_{ijt} takes one of three possible outcomes: either no violation, any disability violation, or other violation. The multinomial logit model specifies

$$P(Y_{it} = j | z) = \frac{\exp(x\gamma_j)}{1 + \sum_{h=1}^J \exp(x\gamma_h)}, \quad j = [1, 3] \quad (Eq. 3)$$

For model identification, the determination of no violation is set as the base outcome. Thus, coefficients are interpreted with respect to this category.

An advantage of the ITS approach is that one can model both the changes in level and slope of a particular event. In Equation 2, γ_{0j} represents the initial probability of violation j at the start of the study, and γ_{1j} is the trajectory of violation j in the years prior to the policy. γ_{2j} represents the change in the level violation j in the first year following the policy change while γ_{3j} represents the difference between the pre-policy and post-policy trajectories for violation j .

Results

First, we discuss how contractor characteristics such as size, industry, and position within a larger firm related to the probability of any violation. Table A3 reports both the odds ratio and the average marginal effect of a contractor's characteristics separately on three possible outcomes: any violation, discrimination violation, and technical violation using Equation 1. The workforce size of the contractor is negatively related to the probability of having any violation with the odds of receiving any violation shrinking by a factor of 0.19 ($1 - 0.812$) with each one-log increase in size. The AME of -0.0283 means that on average, a one-log increase in size

predicts a probability of having any violation 2.8 percentage points lower. Separating discrimination and technical violations, we find that the overall negative relationship between size and violations only holds for technical violations. A one-log increase in size corresponds to a 0.37 percentage point increase in the probability of a discrimination violation.

Table A3: Relationship of Firm Characteristics and the Probability of Any Violation

	Any Violation		Discrimination		Technical	
	(1) Odds Ratio	(2) AME	(3) Odds Ratio	(4) AME	(5) Odds Ratio	(6) AME
Log Size	0.812*** (0.0107)	-0.0283*** (0.00178)	1.138*** (0.0306)	0.00369*** (0.000771)	0.759*** (0.0108)	-0.0323*** (0.00165)
Has Parent	0.392*** (0.0117)	-0.150*** (0.00531)	0.686*** (0.0511)	-0.0121*** (0.00266)	0.390*** (0.0122)	-0.131*** (0.00497)
Professional	0.958 (0.0412)	-0.00543 (0.00538)	0.532*** (0.0518)	-0.0155*** (0.00221)	1.103* (0.0514)	0.0106* (0.00511)
Health	1.405*** (0.0722)	0.0474*** (0.00754)	0.993 (0.104)	-0.000213 (0.00334)	1.497*** (0.0834)	0.0479*** (0.00707)
Administrative Support	1.441*** (0.0676)	0.0512*** (0.00690)	0.684*** (0.0761)	-0.0104*** (0.00278)	1.671*** (0.0837)	0.0630*** (0.00659)
Other	1.200*** (0.0368)	0.0243*** (0.00406)	0.944 (0.0611)	-0.00181 (0.00204)	1.247*** (0.0416)	0.0249*** (0.00370)
Mid-Atlantic	0.749*** (0.0334)	-0.0408*** (0.00630)	1.283* (0.128)	0.00745* (0.00297)	0.673*** (0.0327)	-0.0479*** (0.00587)
Southeast	1.046 (0.0419)	0.00693 (0.00614)	1.159 (0.112)	0.00422 (0.00272)	1.019 (0.0434)	0.00261 (0.00578)
Midwest	0.841*** (0.0351)	-0.0252*** (0.00610)	0.877 (0.0866)	-0.00330 (0.00252)	0.849*** (0.0378)	-0.0212*** (0.00579)
Southwest	0.328*** (0.0180)	-0.124*** (0.00581)	0.934 (0.102)	-0.00177 (0.00284)	0.261*** (0.0163)	-0.122*** (0.00531)
Pacific	1.021 (0.0427)	0.00312 (0.00639)	1.229* (0.119)	0.00604* (0.00281)	0.976 (0.0437)	-0.00323 (0.00603)
Constant	0.590*** (0.0547)		0.00397*** (0.000941)		0.785* (0.0773)	
Observations	49621	49621	49621	49621	49621	49621

Note: Standard errors are reported in parentheses.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Across all three outcomes, having a parent firm reduces the likelihood of a violation. The odds of a violation decrease for contractors with a parent firm by a factor of 0.61, 0.31, and 0.61 for any, discrimination, and technical violations, respectively. This relationship is quite substantial, where having a parent firm reduces the probability of receiving any violation by 15 percentage points.

The relationship between industry and violations is highly dependent on the type of industry. Relative to the manufacturing industry, the odds of receiving any violation or a technical violation are higher among firms in the health, administrative support, and other industries. Alternatively, the probability of receiving a discrimination violation falls by 1.6 percentage points and 1.0 percentage points for those in professional and administrative support industries, respectively, relative to manufacturing.

Geographic location predicts the outcomes of the reviews. Contractors in the Northeast region have higher risk of violations. The largest regional gap is between the Northeast and the Southwest, where firms in the Southwest facing a 0.124 lower probability of any violation.

Table A4 reports the relative-risk ratios from the examination of firm characteristics on the probability of a disability violation using a multinomial logit analysis based on Equation 1. Recall that the outcome variable in this case is one of three outcomes: no violation (base), disability violation, and other violation. A review is classified as a disability violation if any of the findings shows a technical or discrimination violation on the basis of disability. Likewise, a review is classified as another violation if it has at least one violation and none of the violations is on the basis of disability. Here, we find a positive relationship between firm size and compliance. A one-log increase in firm size leads to relative odds of a disability violation that are 0.8 times what they were before the change in size and a comparable reduction of the relative

odds of other violations. Having a parent firm corresponds smaller relative odds of both types of violations, with the estimate for disability violations indicating parent firms reduce the odds by 0.473 times. While Health and Administrative Support industries are less likely to have any violation relative to Manufacturing (see column 1 of Table A3), those industries are more likely to have a disability violation. Relative to Manufacturing firms, Health (Administrative Support) firms have odds of a disability violation that are 1.557 (1.632) times.

Table A4: Relationship of Firm Characteristics and the Probability of a Disability Violation

	(1) Disability	(2) Other
Log Size	0.800*** (0.0142)	0.825*** (0.0135)
Has Parent	0.473*** (0.0219)	0.350*** (0.0120)
Professional	1.038 (0.0600)	0.840** (0.0493)
Health	1.557*** (0.107)	1.272*** (0.0850)
Administrative Support	1.632*** (0.104)	1.296*** (0.0802)
Other	0.909* (0.0428)	1.410*** (0.0524)
Mid-Atlantic	0.707*** (0.0397)	0.799*** (0.0530)
Southeast	0.595*** (0.0332)	1.719*** (0.0941)
Midwest	0.456*** (0.0268)	1.441*** (0.0815)
Southwest	0.0740*** (0.00859)	0.742*** (0.0500)
Pacific	0.562*** (0.0322)	1.744*** (0.0992)
Constant	0.165*** (0.0248)	0.295*** (0.0337)
Observations	49621	49621

Note: Estimates are relative-risk ratios from multinomial regression. Standard errors are reported in parentheses.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

The estimates of the role of the OFCCP selection tool on the probability of violations are reported in Tables A5 and A6. Reviews not initiated under the selection tool are 3.2 percentage points less likely to end in any violation and 3.4 percentage points less likely to end in a technical violation. The relationship with a discrimination violation is statistically insignificant. Likewise, reviews started outside of the selection tool are 4.2 percentage points less likely to receive any violation or a technical violation on the basis of disability.

Table A5: Role of Selection on Probability of Any Violation

	Any Violation		Discrimination		Technical	
	(1) Odds Ratio	(2) AME	(3) Odds Ratio	(4) AME	(5) Odds Ratio	(6) AME
Non-Selection=1	0.790*** (0.0308)	-0.0320*** (0.00500)	1.120 (0.118)	0.00192 (0.00185)	0.760*** (0.0312)	-0.0339*** (0.00475)
Constant	0.217*** (0.00330)		0.0165*** (0.000761)		0.193*** (0.00306)	
Observations	35658	35658	35658	35658	35658	35658

Note: Standard errors are reported in parentheses.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A6: Role of Selection on Probability of Disability Violation

	Any Violation		Discrimination		Technical	
	(1) Odds Ratio	(2) AME	(3) Odds Ratio	(4) AME	(5) Odds Ratio	(6) AME
Non-Selection=1	0.427*** (0.0313)	-0.0422*** (0.00277)	0.654 (0.233)	-0.000762 (0.000554)	0.421*** (0.0315)	-0.0415*** (0.00272)
Constant	0.0826*** (0.00181)		0.00221*** (0.000275)		0.0800*** (0.00178)	
Observations	35658	35658	35658	35658	35658	35658

Note: Standard errors are reported in parentheses.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

We first examine the role of Section 503 on changes in the violation patterns of employers based on Equation 2. Table A7 reports the average marginal effects, calculated using Stata's `margins` command, of the results from the multinomial regression based on Equation 2.

The first three columns of estimates are from a model with no additional controls beyond the years and post-503 variables, which aligns with the classic ITSA framework. The final three columns include the control variables that describe the characteristics of the firm. Notably,

Table A7: Average Marginal Effects from the ITSA Model

	(1) None	(2) Disability	(3) Other	(4) None	(5) Disability	(6) Other
Years	-0.0257*** (0.000789)	0.0177*** (0.000603)	0.00793*** (0.000595)	-0.0240*** (0.000764)	0.0167*** (0.000580)	0.00732*** (0.000595)
Post	0.131*** (0.0130)	-0.0621*** (0.0126)	-0.0687*** (0.00330)	0.106*** (0.0142)	-0.0437** (0.0139)	-0.0622*** (0.00387)
Log Size				0.0300*** (0.00174)	-0.0138*** (0.00112)	-0.0162*** (0.00143)
Has Parent				0.148*** (0.00525)	-0.0404*** (0.00374)	-0.107*** (0.00445)
Professional				0.00844 (0.00535)	0.00443 (0.00375)	-0.0129** (0.00428)
Health				-0.0456*** (0.00751)	0.0291*** (0.00534)	0.0165** (0.00594)
Administrative Support				-0.0507*** (0.00691)	0.0337*** (0.00508)	0.0171** (0.00553)
Other				-0.0239*** (0.00405)	-0.00906** (0.00286)	0.0330*** (0.00327)
Mid-Atlantic				0.0437*** (0.00629)	-0.0323*** (0.00520)	-0.0114* (0.00443)
Southeast				-0.00309 (0.00612)	-0.0531*** (0.00478)	0.0562*** (0.00463)
Midwest				0.0269*** (0.00612)	-0.0679*** (0.00468)	0.0409*** (0.00467)
Southwest				0.128*** (0.00575)	-0.120*** (0.00419)	-0.00835 (0.00452)
Pacific				-0.00134 (0.00637)	-0.0557*** (0.00482)	0.0570*** (0.00494)
Controls	No	No	No	Yes	Yes	Yes
Observations	49621	49621	49621	49621	49621	49621

Note: Estimates are the average marginal effects calculated from the multinomial regression based on Equation 2. Standard errors are reported in parentheses.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

the estimated average marginal effects on years and post-503 between the models with and without controls are fairly stable, maintaining direction and statistical significance. The AME of -0.0621 (column 2) for post-503 on the probability of a disability violation is interpreted as on average contractor’s probability of having a disability violation decreased by 6.2 percentage points after Section 503 was implemented. The model with additional controls (column 5) estimated that same AME at a 4.4 percentage point reduction.

Table A8: Effect of Section 503 on the Probability of the Outcome of a Review

	(1) None	(2) Disability	(3) Other	(4) <i>Disability = None</i>	(5) <i>Disability = Other</i>
γ_0	0.8994*** (0.0025)	0.0146*** (0.0007)	0.0860*** (0.0024)	0.0000	0.0000
γ_1	-0.0339*** (0.0008)	0.0316*** (0.0009)	0.0023*** (0.0005)	0.0000	0.0000
γ_2	0.2533*** (0.0084)	-0.2090*** (0.0079)	-0.0443*** (0.0052)	0.0000	0.0000
γ_3	-0.0092*** (0.0021)	-0.0001*** (0.0021)	0.0093*** (0.0004)	0.0280	0.0000

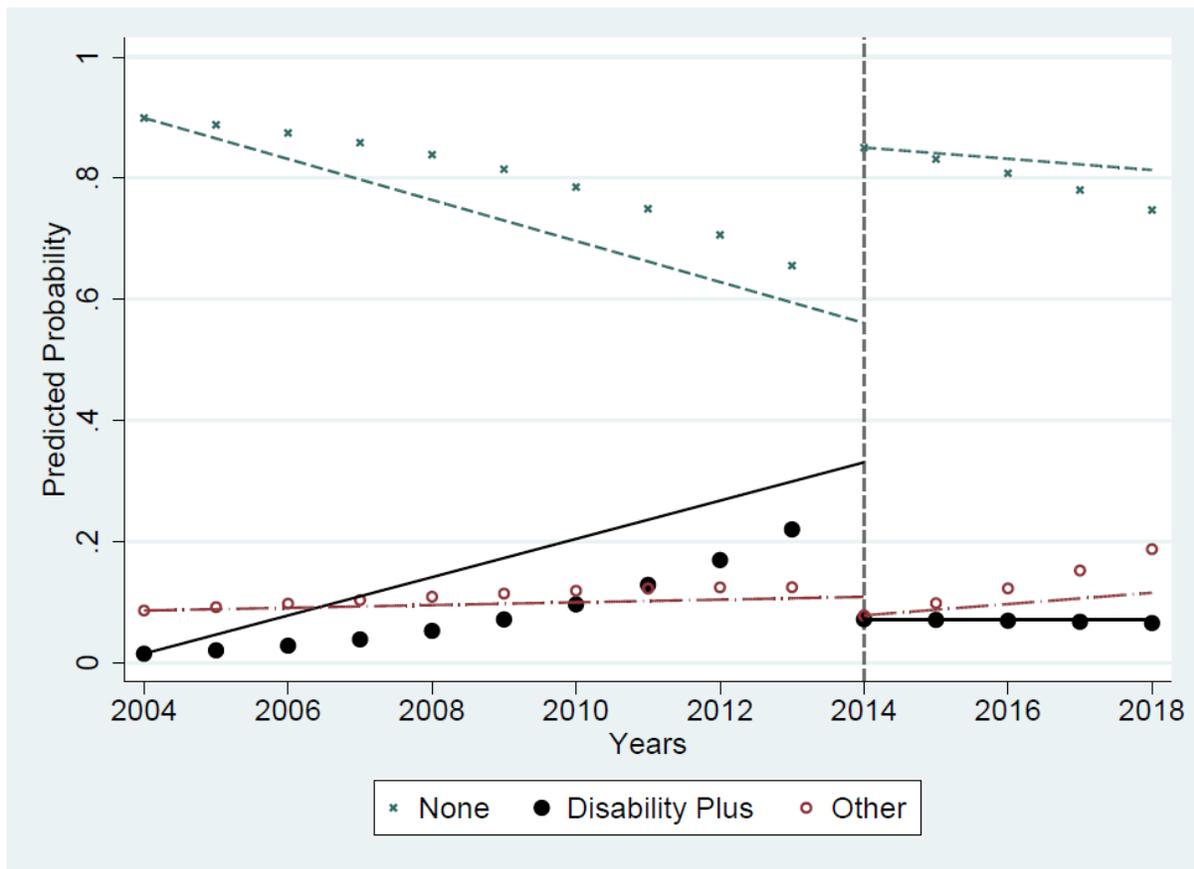
Note: Columns 1 through 3 are estimates of the marginal effects calculated from the multinomial regression based on Equation 2 without additional controls. Standard errors are reported in parentheses. Columns 4 and 5 report the p-values of tests of the equality of the disability estimate from the no violation estimate and the other violation estimate, respectively.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A8 reports the effect of Section 503 on the probability of the outcome of a review in terms of the coefficients of the ITSA model. These estimates are illustrated in Figure A3. At the beginning of the period, the probability of a review ending in no violation, disability violation, or other violation was 90.0 percent, 1.5 percent, and 8.6 percent, respectively. Prior to the implementation of the new regulations of Section 503, the probability of a review ending in a disability violation increased by 3.2 percentage points annually. During that same time, the probability of a violation not on the basis of disability (“other”) was increasing by only 0.2 percentage points per year. Column 5 shows that the difference in these slopes is statistically

significant. The introduction of the new regulations was followed by an immediate reduction in the probability of a disability violation by 20.9 percentage points. Likewise, the probability of other violations fell by 4.4 percentage points, and again, tests of the difference in these estimates of the reductions are statistically significant. In the years following the implementation of Section 503, the probability of a disability violation continued to decline by 0.01 percentage points per year. Further evidence of that the causal claim for the estimates of the effect of Section 503 on disability violation is that following the implementation, the probability of a violation on a basis other than disability increased over time by 0.9 percentage points annually.

Figure A3: Trends in the Probability of the Outcome of a Review by Timing of Section 503



Note: This figure plots the trends in the probability of the three potential outcomes of a review before and after the implementation of Section 503. The dashed vertical line designates the beginning of the period where the new Section 503 regulations were in place. Scatter points are the predicted probability of that outcome in that year. Trend lines are determined by the estimates of the ITSA model.

Finally, we consider how the predictive role of employer characteristics changed by the timing of Section 503 in Table A9. A one-log increase in size leads to relative odds of a disability violation that are 0.81 times what they were before the change in size prior to the implementation and 0.82 times after the implementation. While the predictive role of size did not by policy period, the role of having a parent firm intensified – becoming a stronger predictors of not receiving a disability violation. Notably, the relative risk for contractors in the Other industries category increase substantially – shifting from a predictor of lower risk to a predictor of higher risk.

Table A9: Predictive Role of Employer Characteristics by Timing of Section 503

	Disability		Other	
	(1) Pre	(2) Post	(3) Pre	(4) Post
Log Size	0.805*** (0.0162)	0.817*** (0.0152)	0.804*** (0.0309)	0.907** (0.0315)
Has Parent	0.504*** (0.0246)	0.385*** (0.0140)	0.265*** (0.0374)	0.159*** (0.0172)
Professional	1.049 (0.0668)	0.801** (0.0545)	1.105 (0.160)	1.034 (0.127)
Health	1.417*** (0.111)	1.234** (0.0954)	2.313*** (0.349)	1.442** (0.200)
Administrative Support	1.569*** (0.108)	1.261*** (0.0861)	2.090*** (0.349)	1.579** (0.233)
Other	0.894* (0.0460)	1.473*** (0.0592)	0.986 (0.122)	1.059 (0.106)
Mid-Atlantic	0.695*** (0.0429)	0.654*** (0.0505)	0.740* (0.101)	1.425** (0.196)
Southeast	0.641*** (0.0390)	1.882*** (0.113)	0.401*** (0.0577)	1.039 (0.140)
Midwest	0.464*** (0.0302)	1.461*** (0.0921)	0.421*** (0.0582)	1.297* (0.166)
Southwest	0.0708*** (0.00916)	0.659*** (0.0506)	0.0882*** (0.0233)	1.080 (0.160)
Pacific	0.520*** (0.0334)	1.835*** (0.116)	0.773* (0.0984)	1.327* (0.178)
Constant	0.155*** (0.0249)	0.287*** (0.0362)	1.327 (0.330)	0.491** (0.114)
Observations	40268	9353	40268	9353

Note: Estimates are relative-risk ratios from multinomial regression. Standard errors are reported in parentheses.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Survey Study

Research Project Overview

Purpose

In September 2013, The Office of Federal Contract Compliance Programs (OFCCP) published the final rule making changes to the regulations implementing Section 503 of the Rehabilitation Act of 1973, as amended (Section 503). In March 2014, new regulations went into effect, setting new requirements for federal contractors and subcontractors, related to non-discrimination and affirmative action in the employment of qualified individuals with disabilities. For example, contractors now are required to offer applicants and employees the opportunity to self-identify as a person with a disability and further to use the data collected to understand their progress toward a 7% utilization goal for employment of individuals with disabilities.²

This survey is part of a larger project entitled “Initial Impact of Section 503 Rules: Identifying Effective Employer Practices and Trends in Disability Violations among Federal Contractors” funded by the US Department of Labor, Chief Evaluation Office. The overall goal of this proposed project is to understand the initial impact of these regulations on employer practices and consequently on the employment environment for individuals with disabilities. The purpose of the survey summarized in this report is to build an understanding of contractor disability-inclusive policy/practice in initially responding to Section 503 regulations. The survey is titled: *What Works? How Federal Contractors Are Implementing Section 503*, and is referred to as *Section 503 Survey* in this report.

Specifically, the survey is designed to increase understanding of:

² See <https://www.dol.gov/ofccp/regs/compliance/section503.htm> for further information.

1. Workforce utilization of individuals with disabilities in the early stages of compliance with the revised Section 503 regulations. This includes understanding the outcomes of inviting individuals to self-identify, specifically voluntary self-identification rates and response rates to invitations to self-identify;
2. Contractor emerging promising practices and behaviors regarding disability recruiting, hiring, and employment; and
3. Challenges contractors have encountered in implementing the new regulations to date.

There is limited information available on how organizations are implementing the recent regulations and the facilitators and challenges encountered. In order to understand the preliminary impact of Section 503, it is essential to hear directly from employers about how their processes, including the review of data and practices, have changed in response to the new regulations. By developing a better understanding of what is working (or not) and the issues contractors are encountering, the results of this survey have the potential to inform tools, resources, and other assistance to support contractors in complying with the new regulations.

Survey Structure and Target Respondent

The survey was administered online and was designed to take about 15 minutes. The questions were organized into four sections:

- A. Characteristics of the organization and your role in the organization
- B. Internal goals/targets related to employing individuals with disabilities
- C. Use of the mandated [Voluntary Self-Identification Form](#) to collect disability status information
- D. Practices that are working and challenges to implementing Section 503

The target group of participants for the survey were representatives of organizations that are federal contractors, specifically human resources, compliance, or legal professionals who know about their organization's efforts to implement the recent regulations for Section 503 of the Rehabilitation Act. A full copy of the survey is available at DigitalCommons @ ILR: <http://digitalcommons.ilr.cornell.edu/edicollect/1360/>.

Project Partners

While the Office of Federal Contract Compliance Programs (OFCCP) has conducted surveys of federal contractors, these surveys have limited generalizability due to low response rates. The OFCCP conjectures may largely be a function of sub-contractor concerns over anonymity, which may compromise honest responses by contractors. The Cornell team has the advantage of being external to and at arm's length from the OFCCP when collecting data and collaborating with known and trusted federal contractor organizations, and we were hopeful that this might encourage more candor in survey responses. Access to employers for conducting surveys can be challenging. We have found in working with these employer organizations can assist in maximizing response rates, particularly if the topic has been identified as being of interest to the membership of the sponsoring/collaborating employer organizations (Erickson, von Schrader, & VanLooy, 2016).

We collaborated with two organizations composed of federal contractors: the National Industry Liaison Group and DirectEmployers. These organizations provided input into the survey instrument and supported dissemination of the survey to their membership. The National Industry Liaison Group (NILG) is an organization that supports 61 state and local Industry Liaison Groups, which are composed of small, mid-size and large contractors across the country (see <http://www.nationalilg.org>). DirectEmployers is member-owned and managed consortium

of talent acquisition and Office of Federal Contract Compliance Programs (OFCCP) compliance professionals representing approximately 850 contractors (see <https://directemployers.org/>).

Survey Development, Distribution and Data Analysis

Survey Development Process

The survey development process was iterative, and included extensive feedback from a broad range of stakeholders throughout the process. We had preliminary conversations with OFCCP about the topics of greatest interest to them in informing their programing. Both the business and the disability advocacy communities provided input, including project partner leadership and representatives from the federal contractor community. The survey instrument was further informed by research findings from prior related efforts, including recent employer survey findings (Domzal, Houtenville, & Sharma, 2008; Erickson, von Schrader, Bruyere, & VanLooy, 2013; Erickson, von Schrader, Bruyère, VanLooy, & Matteson, 2014). The survey was a mix of closed-ended questions (e.g., about practices in place and estimated self-identification rate) and open-ended questions to allow employers to elaborate on what is working (or not). The survey contained key demographic questions to allow comparison with past employer surveys as well as breakdowns by employer size and industry. The initial survey draft was tested through a series of one-hour cognitive interviews with eight contractors to ensure relevance and clarity. After revisions based on these initial interviews, a final review was conducted by key individuals and groups.

A final paper draft of the survey was developed based on all data gathered. The online survey was programmed using the survey tool Qualtrics. We tested the online survey with several individuals, including some with visual impairments, to fine tune item format and maximize accessibility for screen readers and smartphone/tablet users. An Institutional Review

Board (IRB) exemption through Cornell’s IRB was obtained. The data collected was anonymous, although contractors did have an opportunity to provide their name and email address for access to participation incentives (described below).

To achieve a shorter survey, branching was used in the design to limit the number of questions any respondent was asked. The survey was designed to collect data on the organizational unit most relevant to the respondent. A screener question was used to verify that the respondent was a federal contractor. Following the screener, respondents were asked if their organization was a single establishment or a multi-establishment organization. If they were a multi-establishment organization they were further asked if they maintained establishment-based affirmative action programs (AAPs), functional AAPs³ (FAAPs) or both. Respondents selected whether they would like to complete the survey on behalf of their organization overall, or their establishment or functional/business unit. Depending on the unit indicated that they were responding for, text was piped into questions that followed. For example, in the question “Does your [organization] have targets related to the following?” The word “organization” could be replaced with “establishment” or “functional/business unit” depending on response. Further description presented below on the organization and respondent demographics.

Survey Distribution

The survey was promoted at the NILG Annual Meeting in San Antonio in August, 2017 through flyers and an announcement about the survey during the lunchtime keynote. We developed a survey landing page (<http://www.yti.cornell.edu/survey>, see Appendix A for a

³ Functional affirmative action programs are based on a business function or business unit rather than on contractor establishments. An example of functional/business unit might be sales division that is based across multiple establishments. The FAAP would focus on equal employment opportunity in the sales division across establishments, while an establishment AAP would focus on a single establishment. See: <https://www.dol.gov/ofccp/regs/compliance/faap/index.htm>

screen shot of the page) and promotional materials to distribute at this event and for further distribution use. These materials and web-links were shared with our partners and other employer networks, including:

- NILG (via email to conference attendees and local/regional ILG chairs)
- DirectEmployers (via newsletter, social media, and email)
- Employer Assistance and Resource Network, EARN (via social media and newsletter)
- Job Accommodation Network, JAN (via social media)
- Washington DC Business Leadership Network, DCBLN (via newsletter and social media)
- Massachusetts Office on Disability, MOD Summit on Employment Opportunity (via flyers and social media)
- Yang-Tan Institute on Employment and Disability, Cornell University (via emails, blog and social media)
- American Association for Access, Equity, and Diversity, AAAED (via email)

Using organization-specific URLs, we were able to track the source of the survey returns from these different organizations' distribution efforts. The survey launched September 7, 2017 with a planned closing date of September 29, 2017, however the survey was extended through October 31, 2017 to allow for additional responses.

To maximize responses to the survey, multiple reminders were sent and incentives were offered. Respondents were offered the following incentives for participation:

- Final report on study findings
- Access to BenchmarkABILITY®, Cornell's online benchmarking tool on workplace disability inclusion (see <http://benchmarkability.org/>)

- Free online courses eligible for six HRCI credits. A set of six one-hour online courses on workplace disability inclusion, designed by Cornell University, which were made available at no cost for use by survey respondents from October 3 to December 31, 2017.

Survey Data Analysis

The survey data analysis in this report is descriptive with data from closed-ended items presented as means and percentages. Several items were open-ended, and these were analyzed using a conventional content analysis approach, coding responses and then developing themes. The presentation of the qualitative response highlights themes and includes representative quotes related to the theme. The sections on b) self-identification, c) recruitment, d) communication and training, and e) accommodation and networking each present a summary of effective practices (or “what works”) based on responses to open-ended items for each area on the survey. There was a single item on the survey that focused on the main challenges in implementing Section 503. In the narratives presenting themes from the qualitative data, key points are bolded to highlight practical suggestions and interesting ideas within each theme area.

Future analyses will examine differences by key characteristics such as organization size, industry and sector, where sample sizes allow for comparison.

Sample

The survey distribution approach used a convenience sample rather than a random sample from the federal contractor population. This limits our ability to generalize to contractors nationally. However, we believe that even if our sample is not fully representative of the population of contractors, that our analyses still support not only OFCCP and federal contractors in implementation of Section 503, but are also relevant to federal, state, local, and private (non-contractor) employers who are interested in good disability inclusion practices.

Sample selection

A total of 357 people accessed the survey and completed the screening item: “Does your organization have federal contracts or subcontracts of \$10,000 or more?” A total of 274 responded “yes” and were allowed to participate in the survey. The sample used for this report was limited to 235 individuals who completed the demographics section and the first set of content items. There was some attrition beyond the first set of items, but the majority completed all items on the survey.

Sample characteristics

Most organizations were multiple establishment organizations⁴ (82%), with the remainder being single establishment organizations (18%). Most of the multiple-establishment organizations used only establishment-based AAPs (70%). Overall, 87% of multi-establishment respondents reported for their overall organization, rather than their establishment or functional/business unit. This is likely a reflection of the large number of multi-establishment respondents (90%) who were based at the headquarters of their organization. A full breakdown of the same by type of establishment, type of AAPs, and whether they reported for their unit or establishment is available from Figure B1 in Appendix B. While some respondents responded for their establishment or functional/business unit, in the remainder of the report we refer generally to the “organization” in order to simplify the language.

The characteristics of organizations illustrates respondent diversity; fewer than 10% of contractors were reporting for an organization/unit with fewer than 50 employees. The typical (or median organization/unit size) was in the 2,000 to 4,999 range; close to a quarter of respondents

⁴ Multiple establishment organizations are those doing business at more than one establishment, while single establishment organizations are those doing business at one establishment.

were in firms with 20,000 or more employees (23.5%). The most common industry groups included Professional, Scientific, and Technical Services (23% of the sample), followed by Manufacturing (14%), Health Care and Social Assistance (13%), Educational Services (11%), Other Services (except Public Administration) (10%), and Finance and Insurance (8%). Separate questions identified those in the high-tech sector (31%) and defense sector (14%) Further information about organizational characteristics are available in Table 1 and Appendix B., Table B.1.

Multiple establishment organizations were asked about the number of AAPs their organization maintained; most maintained several. Fifty-eight percent of the multi-establishment sample had between 2 and 49 AAPs, and 26% had 50 or more AAPs see Table 2 below.

The respondents had job functions most commonly in the areas of EEO/Affirmative Action (19%), Human Resources (HR, 15%), Compliance (13%), Diversity (9%), and Talent Acquisition/Recruitment (6%). With 42% of respondents had been with their organizations for more than 10 years. For further information see Table 3 below.

Table 1. Characteristics of Respondent's Organizations

Number of Employees in Organization/Unit	Frequency	Percent
0-14	9	3.9%
15-49	14	6.0%
50-99	11	4.7%
100-499	36	15.4%
500-1,999	33	14.1%
2,000-4,999	26	11.1%
5,000-19,999	50	21.4%
20,000-99,999	47	20.1%
100,000+	8	3.4%
Industry		
Utilities	8	3.4%
Construction	9	3.9%
Manufacturing	33	14.2%
Wholesale Trade	2	0.9%

Retail Trade	5	2.2%
Transportation and Warehousing	10	4.3%
Information	4	1.7%
Finance and Insurance	20	8.6%
Real Estate and Rental and Leasing	1	0.4%
Professional, Scientific, and Technical Services	54	23.2%
Management of Companies and Enterprises	3	1.3%
Administrative and Support and Waste Management and Remediation Services	2	0.9%
Educational Services	25	10.7%
Health Care and Social Assistance	30	12.9%
Other Services (except Public Administration)	24	10.3%
Public Administration	3	1.3%
Select Cross-Industry Sectors		
High-tech sector (i.e. in an industry having a high concentration of workers in STEM (Science, Technology, Engineering, and Mathematics) occupations	74	31.5%
Defense sector	33	14.0%

Table 2. For multiple-establishment organizations, number of AAPs maintained by organization

Number of AAPs maintained	Frequency	Percent
1 plan	27	16.4%
2-4 plans	26	15.8%
5-24 plans	39	23.6%
25-49 plans	30	18.2%
50-99 plans	20	12.1%
100-199 plans	11	6.7%
200 or more plans	12	7.3%
Total	167	100%

Note: 25 respondents reported that they did not know

Table 3. Characteristics of Respondents

Job function (could specify one or more)	Frequency	Percent
EEO/Affirmative Action	138	18.7%
Human Resources (HR)	113	15.3%
Compliance	92	12.5%
Diversity	66	9.0%
Talent Acquisition/Recruitment	46	6.2%
Disability	42	5.7%
Administrative	41	5.6%
Employee Relations	39	5.3%
Training and Development	31	4.2%
Compensation	24	3.3%
Benefits	23	3.1%

Legal	19	2.6%
Organizational Development	19	2.6%
Labor/Industrial Relations	15	2.0%
Other (please specify)	15	2.0%
Health/Safety/Security	14	1.9%
Years with organization/unit		
Less than 1 year	8	3.5%
1 year	6	2.6%
2 years	22	9.5%
3 years	12	5.2%
4 years	26	11.2%
5 years	13	5.6%
6 years	11	4.7%
7 years	6	2.6%
8 years	10	4.3%
9 years	12	5.2%
10 years	8	3.5%
More than 10 years	98	42.2%

Results

The sections of the report are a) setting goals, b) self-identification, c) recruitment, d) communication and training, and e) accommodation and networking. Most sections begin with a summary of current contractor practices, followed by a summary of respondent responses on effective practice, and end with a summary of challenges noted by respondents.

In response to an open-ended item, a total of 99 respondents mentioned one or more challenges that fell into the broad categories (in order of frequency) of self-identification, recruitment and outreach, communicating about the initiative and disability, information systems, new administrative burden, lack of resources, and supporting workers with disabilities. We present these challenges in more detail, including quotes from respondents in the following sections of the report.

Setting goals

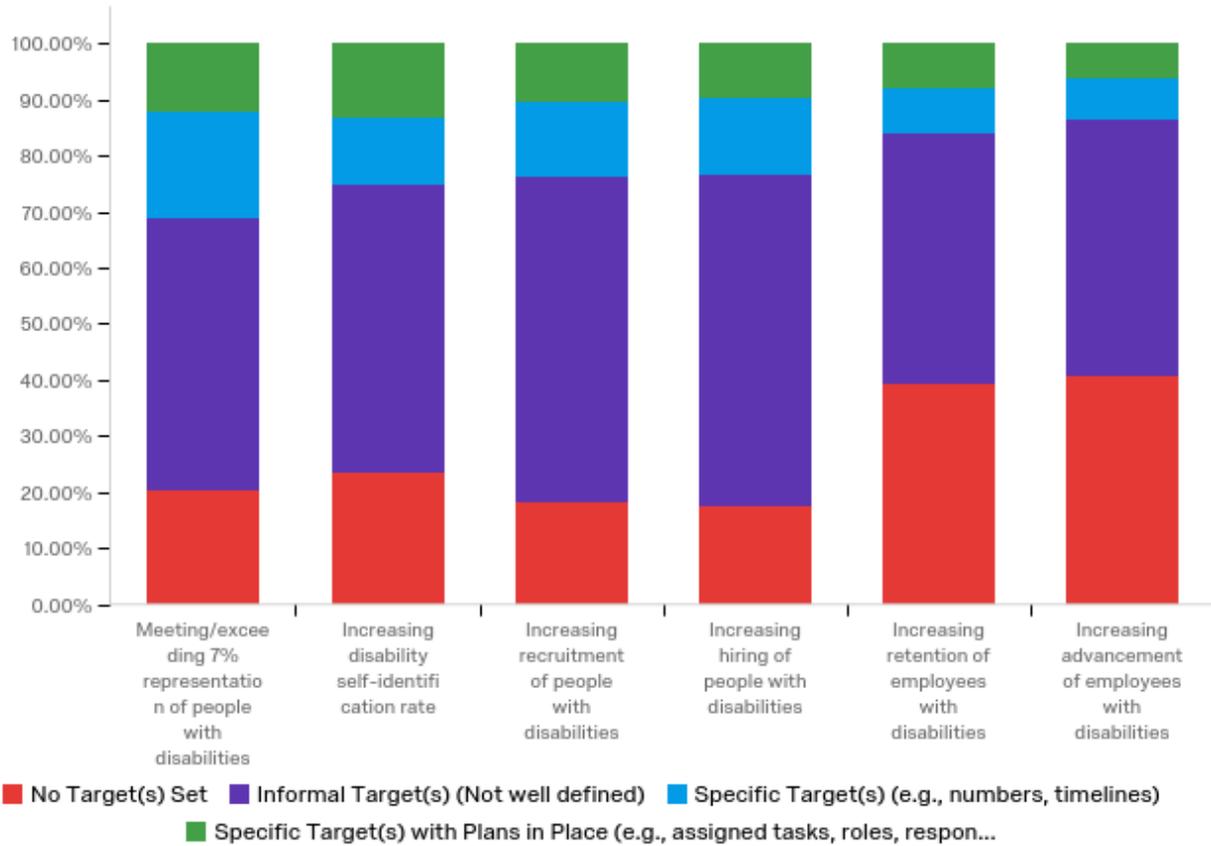
One of the most recognizable aspects of Section 503 is the utilization goal, which requires contractors to aim for a workforce in which 7% are individuals with disabilities (across job categories for larger contractors). Organizations can meet this utilization goal in a number of ways: they can increase recruitment and hiring of people with disabilities, as well as increase the level of self-identification among both applicants and employees. Making efforts to retain and advance employees with disabilities already in the workplace can help to keep them engaged, further supporting the utilization goal.

Setting goals: What Contractors Are Doing?

Typically, an important first step in making changes in an organization is setting targets or goals. We asked respondents to describe whether they currently had identified informal or specific targets in the areas of self-identification, recruitment, hiring, retention and advancement. Relatively few (6-12%) had “specific target(s) with plans in place (e.g., assigned tasks, roles, responsibilities)” related to any of the areas designed to increase disability representation numbers. A few more indicated that they had “specific target(s) (e.g., numbers, timelines)” (7-18% depending on the specific area). Around half (44-59%) indicated that they had “informal target(s) (not well defined)” see Figure 1 below. In general, respondents were more likely to have targets around self-identification, recruitment, and hiring; and less likely to have targets related to retention and advancement of the workforce being people with disabilities.

Figure 1. Goals/targets related to disability in organizations

Yes



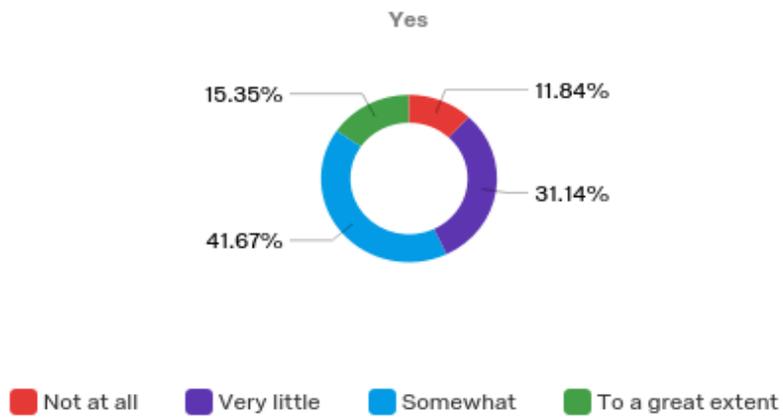
	No Target(s) Set	Informal Target(s) (Not well defined)	Specific Target(s) (e.g., numbers, timelines)	Specific Target(s) with Plans in Place (e.g., assigned tasks, roles, responsibilities)	Total
Meeting/exceeding 7% representation of people with disabilities	20.4%	48.5%	18.7%	12.3%	100%
Increasing disability self-identification rate	23.4%	51.5%	11.9%	13.2%	100%
Increasing recruitment of people with disabilities	18.3%	57.9%	13.2%	10.6%	100%
Increasing hiring of people with disabilities	17.5%	59.2%	13.6%	9.8%	100%
Increasing retention of employees with disabilities	39.2%	44.7%	8.1%	8.1%	100%
Increasing advancement of employees with disabilities	40.9%	45.5%	7.2%	6.4%	100%

Question Text: Does your organization/unit have targets related to the following? (N=235)

The impact of recent Section 503 regulations

Most respondents indicated that the recent regulations have impacted their affirmative action goals/targets with 42% indicating they were impacted somewhat and 15% to a great extent. Over 88% indicated that they had been impact at least a little. Among those respondents who indicated that they had targets, between 56-82% (depending on the target area) indicated that their targets were influenced by the recent 503 regulations.

Figure 2. Extent to which affirmative action goals/targets related to employing people with disabilities changed as a result of recent Section 503 regulations



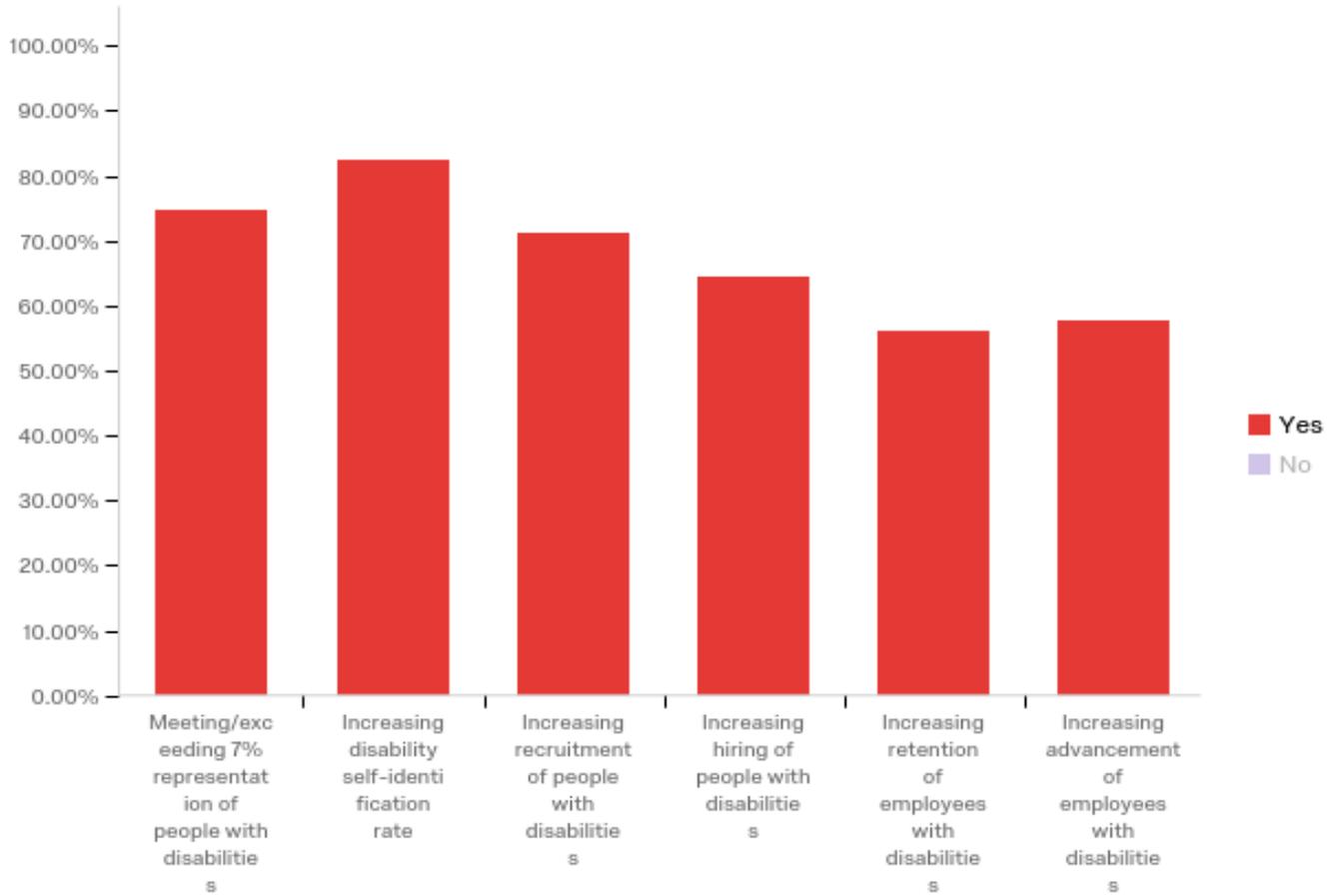
	Frequency	Percent
Not at all	27	11.8%
Very little	71	31.1%
Somewhat	95	41.7%
To a great extent	35	15.4%

N=228

Question Text: Extent to which affirmative action goals/targets related to employing people with disabilities changed as a result of recent Section 503 regulations? (N=228)

Figure 3. Recent Section 503 regulations and influenced targets

Yes



	Number with target in place	Among those with target, % reporting recent Section 503 regulations influenced target
Meeting/exceeding 7% representation of people with disabilities	185	74.6%
Increasing disability self-identification rate	177	82.5%
Increasing recruitment of people with disabilities	188	71.3%
Increasing hiring of people with disabilities	189	64.6%
Increasing retention of employees with disabilities	139	56.1%
Increasing advancement of employees with disabilities	135	57.8%

Question Text: Did the recent Section 503 regulations that became effective in March 2014 influence your target(s) related to the following?

Note: Question was only asked of respondents who had a target in place

Self-identification

The Section 503 regulations that became effective in March 2014 require that employers who are federal contractors provide applicants the opportunity to self-identify both pre-offer and post-offer, and provide the same opportunity to employees at least once every 5 years. To assist this process, the OFCCP designed the [Voluntary Self-Identification of Disability Form](#), (referred henceforth to as the self-ID form) which contractors must use for data collection. The goal is that 7% of employees be people with disabilities, across job categories. Data collection is designed to support understanding of current disability representation as well as evaluating the effectiveness of outreach and recruitment efforts in support of this goal. However, to get accurate statistics on the workforce, individuals with disabilities must be willing to voluntarily reveal that they have a disability on the self-ID form. While the stakes are relatively high for employers to collect accurate data, there is very little if any motivation for employees to self-identify. The disclosure decision is complex, and there is a growing body of research in this area (e.g., von Schrader, Malzer, & Bruyère, 2014), Saal, Martinez, & Smith, (2014), Santuzzi, Waltz, Finkelstein, & Rupp, (2014), Jans, Kay, & Jones, (2014).). Factors that may encourage disclosure include a supportive supervisor relationship, knowing that an employer has made efforts to create a disability inclusive environment, and knowing that others have disclosed disability in the organization and were successful (von Schrader, et al., 2014).Self-Identification: What Contractors Are Doing?

Disability Self-Identification Data Collection

As required, most respondents report that their organization has used the self-ID form to collect data on disability status (90.4%), and most of those collecting data have integrated the form into their HR or other appropriate system (95.9%). Among respondents who report that their organization is using the form to collect data, the majority had reviewed their self-ID data within the last 6 months (60%).

Among organizations using the self-ID form, response rate for employees varied widely see Table 4 below. About 37% said that more than 80% of their employees have completed the self-ID form. The typical organization (median value) fell into the category of 51-60%. However, a third of respondents indicated 30% or fewer of their company's employees had completed the self-ID form. Clearly, getting people to respond the self-ID form is a significant issue.

The survey asked respondents what percentage of employees who had completed the form had identified as an individual with a disability, see Table 5 below. Relatively few (approximately 15%) reported meeting or exceeding the 7% utilization goal. Nearly half of respondents indicated that their organization/unit's disability self-identification rate was 2% or less.

Table 4. Percentage of employees who have completed the self-ID form at your organization/unit

	Frequency	Percent
0%	1	0.7%
1-10%	23	15.3%
11-20%	18	12.0%
21-30%	9	6.0%
31-40%	8	5.3%
41-50%	10	6.7%
51-60%	12	8.0%
61-70%	5	3.3%
71-80%	9	6.0%
More than 80%	55	36.7%

	Frequency	Percent
Total	150	100%

Missing = 12, Data not available = 11, Don't know=35

Question text: Of the employees at your organization/unit, approximately what percentage have completed the self-identification form?

Note: include only organizations/units using **the self-identification form to collect data on disability status.**

Table 5. Of employees who have completed the self-ID form, percentage that indicated that they have a disability

	Frequency	Percent
0%	2	1.3%
1%	38	25.5%
2%	32	21.5%
3%	19	12.8%
4%	20	13.4%
5%	10	6.7%
6%	5	3.4%
7%	6	4.0%
More than 7%	17	11.4%
Total	149	100%

Missing =49; Data not available =10

Question text: Q34 - Of employees who have completed the self-identification form, approximately what percentage indicated that they have a disability?

Note: include only organizations/units using **the self-identification form to collect data on disability status.**

How are organizations using the disability self-identification data?

Nearly nine out of ten reported their organization is either currently using (60%) or plans to use in the next 12 months (30%) the disability self-identification data to assess progress toward the 7% utilization goal. Similar proportions are either using (50%) or plan to use (37%) this data to gauge success in outreach and recruitment. Similarly, over eight in ten are using (51%) or planning to use (35%) it to assess progress in hiring. Two thirds reported either using (27%) or planning to use it (39%) to assess progress in retention. About six in ten were either using (23%) or planned to use (38%) it to review progress in advancement.

Self-Identification: What Works?

Table 6 presents various approaches that employers are using to encourage self-identification. The list of options used for this item was compiled in consultation with our employer partners during survey development. The most common practice was *making self-ID form available when employees update personal information*, with 57% offering this option. Next most common was *annual communication to encourage self-identification* (52%) and *communication from organizational leaders* (41%). Although less frequently done, a *formal self-identification campaign* (29%), *spotlighting successful employees with disabilities* (19%) and *making self-identification part of the annual open enrollment process* (16%) were rated slightly more effective than the more common practices. The highest scores for effectiveness were for *formal self-identification campaign* and *spotlighting successful employees* with effectiveness scores of 3.5 and 3.4 respectively, scores that fall in the range of 3 = moderately effective to 4 = very effective.

Table 6. Practice used to encourage applicants and current employees to self-identify on the self-ID form. (Respondents could select one or more.)

Practice	Percent with practice	Mean (SD) effectiveness rating
Making self-identification form available when employees update personal information	57.0%	3.0 (1.1)
Annual communication to employees encouraging self-identification	51.5%	2.7 (0.9)
Communication from organizational leaders to employees about the purpose of self-ID	40.5%	3.0 (1.1)
Formal self-identification campaign	28.0%	3.5 (1.1)
Spotlighting successful employees with disabilities	18.5%	3.4 (1.2)
Making self-identification form part of annual open enrollment process	16.0%	3.2 (1.2)

Note: 200 respondents completed this item. Only respondents who had practice were asked about its effectiveness. Effectiveness ratings: 1= not effective at all, 2 = slightly effective; 3 = moderately effective; 4 = very effective; and 5 = extremely effective

Question text: How does your organization/unit encourage applicants and current employees to self-identify on the self-identification form? (Select all that apply).

In addition to the practices listed in Table 6, respondents were provided an open-ended opportunity to specify other practices that had been effective in their organizations to encourage self-identification. About 25% of completed surveys included a narrative response to this item, responses were summarized into themes and are presented below. The practices fell into two broad categories: 1) including the form in existing process and systems and 2) improving communication around self-identification.

Including the form in existing process and systems

Respondents described encouraging increased response to the self-identification form **during the application process** by building the form into the online application process; for example, requiring a self-ID form to be completed or intentionally bypassed when applying. When online applications are not used, the form can be presented with the employment application. Likewise, **during onboarding** was a key point in the employment process to share information about the form, for example, by including the form in as part of new employee paperwork, explaining the form on the first day, and offering an opportunity to complete the form at new employee orientation. Including the **form in the Applicant Tracking System (ATS) or Human Resource Information System (HRIS)** was noted as helpful in increasing response rates, the opportunity to self-identity can be highlighted and explained on the HRIS and the form can be a specific option available directly from the self-service HRIS. Several noted that only surveying every five years may not be enough and that **more frequent surveying** of employees may increase response rates, some suggested sending out an email blast every two years with a link to the self-ID form or even doing it annually, perhaps in combination with other data collection, for example on veteran status.

Improving communication around self-ID through various approaches

Several respondents described approaches to promoting self-identification through better communication and education, this is a topic that we delve more deeply into later in this report. The types of practices mentioned included campaigns, events, or trainings. One respondent noted that they do a **disability outreach campaign** with a special landing page on their careers site that includes employee profiles and blogs with stories of employees with disabilities. In response to the challenge of communicating what is meant by the term “disability” on the self-ID form, one respondent noted that during National Disability Employment Awareness Month, their organization puts out articles educating about disability including one on **describing what is considered a disability**. Other practices mentioned **educating about disability and self-identification**; examples included training for employees and managers or organizing an organization-wide event focused on disability. One respondent noted that they promote their **support for the disability community** both within the organization as well as in the community more broadly to promote their organization as disability inclusive.

To more directly encourage self-identification, respondents noted that **sharing information about self-identification at key moments** can be helpful. For example, when an individual discloses a disability as part of accommodation request or when someone requests an accessible parking permit can be opportunities to educate about the self-identification process. Several organizations noted that their **Disability Employee Resource Group (ERG)** was helpful in getting word out about self-identification, both in crafting appropriate messaging and also educating and advocating for employees to self-identify.

Self-identification: Challenges

Self-identification was the most frequently mentioned challenge in implementing the recent Section 503 regulations for respondent organizations. Organizations clearly report struggling with getting employees to self-identify as a person with a disability. The reasons ranged from logistical issues to the difficulty of building the trust that makes applicants and employees comfortable sharing their disability status.

The self-identification form and logistical challenges

Several respondents were **frustrated with the self-ID form**: “It is difficult that we can't use our own form, but have to utilize the OMB-approved form, which in our opinion lacks additional information around disability, (and) why it is good to self-identify. We also feel that the examples of what is a disability are very restricted on that form,” or “The form was poorly constructed and not easy to use and provided little information with respect to what was or was not a disability. No opportunity to edit the form to make it simpler or provide information.” Others noted that just **sending out the form without an adequate explanation** of why the mandated form was seriously limiting response.

In fact, for some employers it was less about willingness to self-identify than just getting employees and applicants to complete the form. Many reported struggling with the **best way to get more people to access and complete the form**. This was an issue with several employers, but may be more of a challenge among organizations where employees do not regularly access a computer. For example, it was noted, “It is built into our application and onboarding process[es] but we can't make it mandatory that people fill it out. We have a very high number of hourly workers on assembly lines and it is difficult to get them to go online to fill out the form, and paper forms are not filled out when they are presented.”

Several of the challenges related to self-identification were less about getting people to disclose a disability and more about the workload and system alterations that were required to make this data collection and reporting logistically possible. Several noted an **increase in administrative workload**, with challenges of “coordinating centrally for so many different locations,” and handling the additional documentation required, including the utilization goal of 7% by job groups, documenting recruitment efforts, and evaluating physical capabilities of jobs. In cases where organizations were **collecting paper forms for self-identification**, they describe an “increased workload with inputting, scanning, (and) filing of hard forms.” Another noted challenges of “Keeping track of the responses to the self-identification forms. Filing and storage of these forms is very difficult as they are anonymous, and we have a great deal of rehired employees, so the paperwork becomes redundant.”

Setting up information systems to handle the new data collection and reporting requirements was a challenge. This included both **updating HRIS and/or ATS systems to use the required form**, but also “updating websites, self-service portals, recruiting/onboarding applications, etc.” Beyond updating the HRIS, the self-ID **form needs to be integrated into current processes and workflow**, for example, into the “applicant and new hire workflow.” Collecting data using the form was a challenge as was updating the information systems to output the needed documentation for AAPs. One respondent noted the challenge of **integrating these changes in a multi-national organization**: “Global systems and processes (are) not flexible to meet US law needs.”

Building trust

Respondents also noted “We know there is a large population of our employees that have a disability, but have not self-identified as so.” **Building trust is difficult**, and as one respondent

noted, communication is not enough: “The challenge of overcoming perceptions, despite appropriate communication, that disability status will be shared or known by others such as a manager, and overall getting employees to Self-ID despite various communications, campaigns, [E]RG and Diversity initiatives, etc.” or as another respondent notes: “no matter how much you tell them it doesn't matter it's hard to break that belief that they will be judged.” One noted that “employees find [requests for self-identification] intrusive and do not like sharing that information except as anecdotally.”

Some respondents noted that there is a lack of understanding about what qualifies as a disability and **hesitation to identify as a person with a disability because of associated stigma**. “The biggest challenge is overcoming the definition of a disability. Most people see this as a significant impairment to your abilities, however a disability can go unnoticed.” Another noted “People are reluctant to label themselves as disabled. Even many people who consider themselves "disabled" this year, may say they aren't disabled the next time asked, even though the wording is "have you ever been" considered disabled. They consider only ‘profoundly disabled’ or ‘wheel-chair bound’ individuals disabled.”

Results also showed that perceptions about disability can differ between industries. In construction and perhaps other industries, **disability is not something people will admit or they fear they will not be able to work**: “In our industry [construction], employees do not want to be perceived as not being able to do the work. To the uneducated, a disability means that you may not be able to do the work. We hire laborers who have never, ever even seen a doctor a day in their lives. They don't know what it means to have health benefits.”

Recruitment

The most valuable asset for any company and a significant part of its strategic advantage is having the right talent in place for the particular job at hand. Yet, many companies report that they have difficulty filling positions because of talent shortage. The Section 503 utilization goal is designed to increase employment opportunity for individuals with disabilities, and from the contractor perspective, this goal also presents an opportunity to increase the pool of available talent to meet their talent needs. Therefore, a critical first step in implementing Section 503 is to establish a talent pipeline of qualified candidates who are individuals with disabilities.

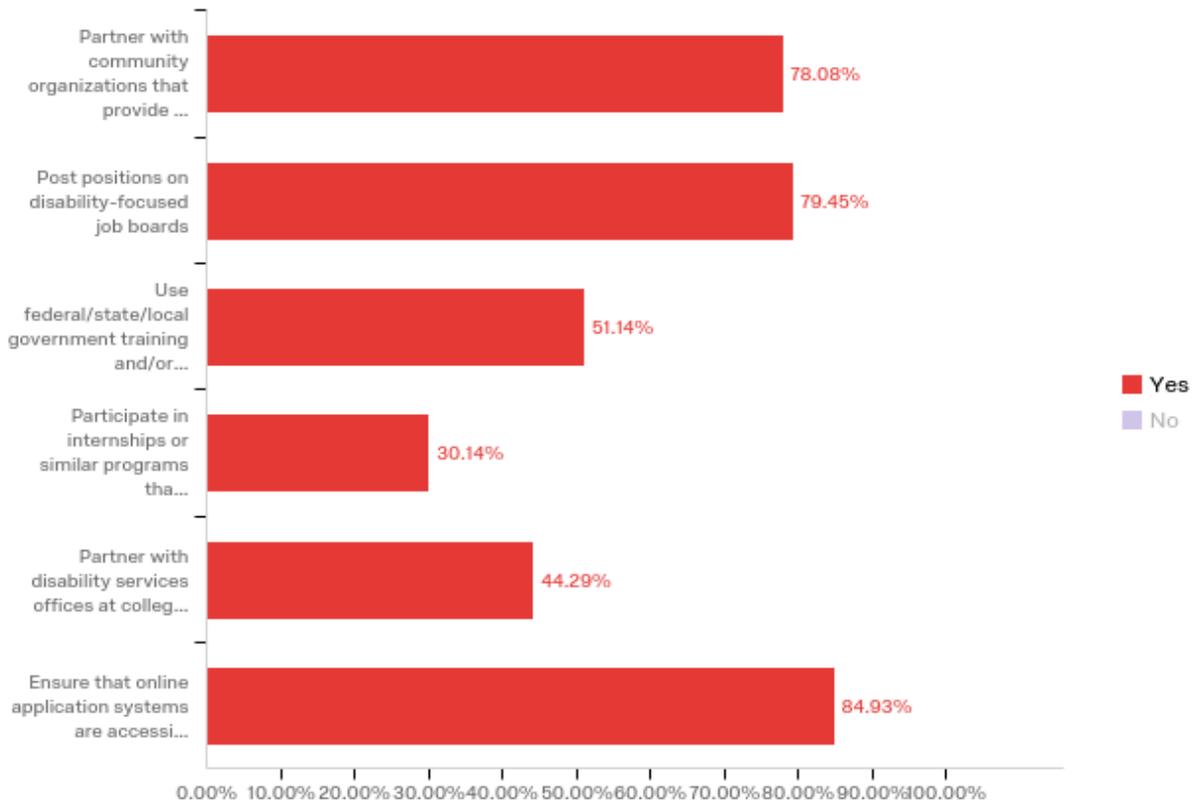
Employers commonly cite the lack of qualified applicants as a barrier to hiring people with disabilities (Domzal, et al. 2008; Erickson, et al., 2013; Kessler/NOD, 2010). Evidence suggests that only a minority (11-45%), of employers actively recruit workers with disabilities, with smaller employers being less likely to recruit (Dixon, Kruse, & Van Horn, 2003; Domzal et al., 2008; Lengnick-Hall, Gaunt, & Collison, 2003; Erickson et al., 2014). In light of these findings, there has been a push in the field to use internships and community partnerships as a tool to enhance the hiring of people with disabilities (Domzal et al., 2008; Nicholas, Kauder, Krepcio, & Baker, 2011). In a study examining the relative influence of different practices on the hiring of people with disability in an organization, employers with an internship program for individuals with disabilities were almost six times more likely to have hired a person with a disability than those who did not (Erickson et al., 2014). Other practices such as establishing relationships with community organizations and reviewing accessibility of application systems were also strongly related to hiring.

Recruitment: What Contractors Are Doing?

Respondents were asked whether they had each of six recruitment practices in place. The results are presented in Figure 4 below. More than 75% of respondents indicated that their organization/unit had each of the following practices in place: *partner with community organizations, post on disability job boards, and ensure accessibility of online application forms*. Fewer used *federal/state/local government training and/or placement programs* (51%) or *partnered with disability services offices at colleges and universities* (44%). Fewer than a third of organizations *participate in internships or similar programs that target people with disabilities*.

Figure 4. Recruitment Practices Does your organization/unit currently have the following practices in place?

Yes



Question	Number (percent) of organizations/units with practice currently in place
Partner with community organizations that provide employment services to people with disabilities	171 (78.1%)
Post positions on disability-focused job boards	174 (79.5%)
Use federal/state/local government training and/or placement programs	112 (51.1%)
Participate in internships or similar programs that target people with disabilities.	66 (30.1%)
Partner with disability services offices at colleges and universities	97 (44.3%)
Ensure that online application systems are accessible	186 (84.9%)

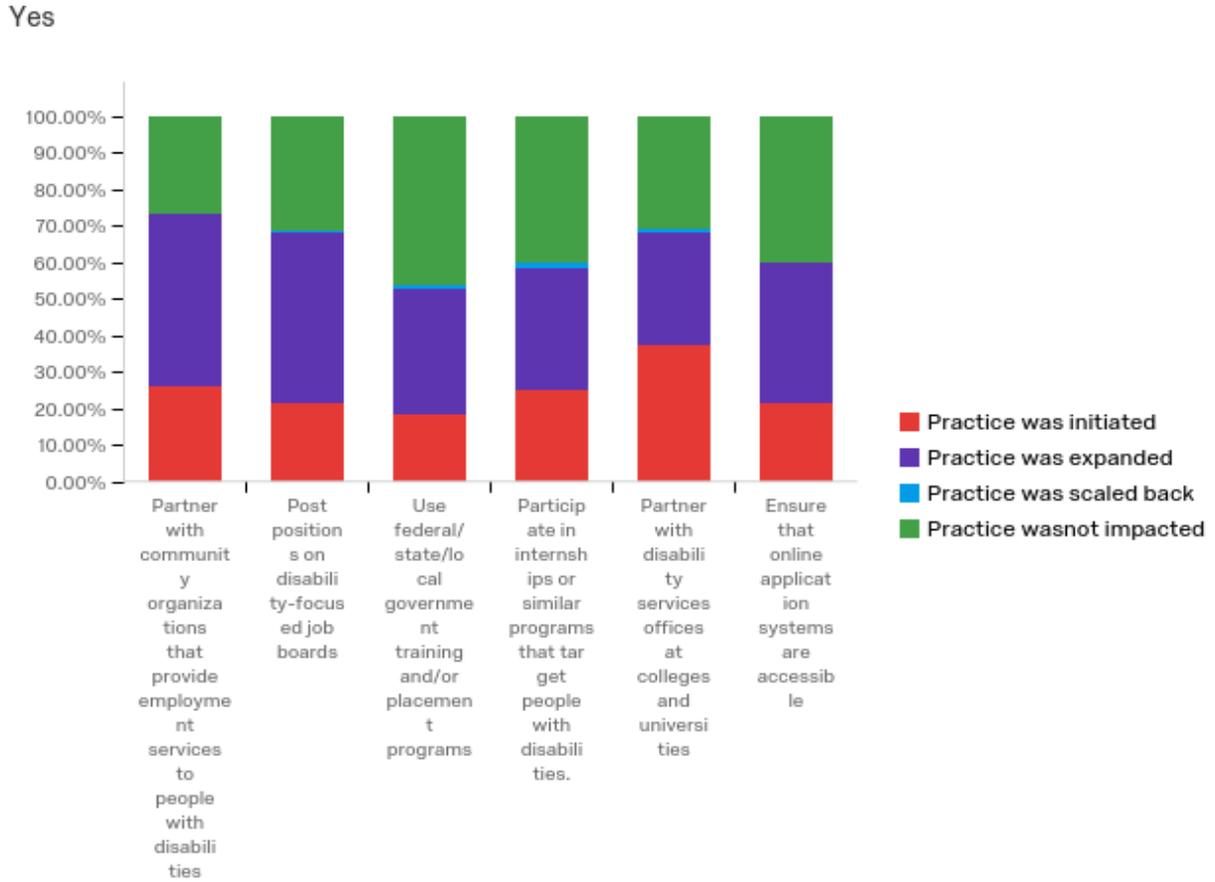
N=219

Question Text: Does your organization/unit currently have the following practices in place?

The impact of recent Section 503 regulations

If an organization reported that a particular practice was in place, a follow-up question asked if that practice had changed as a result of the recent 503 regulations. Of the organizations who had a practice listed in Figure 5 currently in place, between 19% and 37% (depending on the practice) had initiated the practice as a result of the recent 503 regulations; and 31% to 47% of organizations expanded the practice. Partnering with community organizations (47% expanded this practice) and posting on job boards (46%) were the practices most commonly expanded. The most commonly initiated practice was partnering with disability services offices at colleges and universities (37% initiated the practice).

Figure 5 Recruitment Practices: How did the Section 503 regulations impact the following practices?



Question	Practice was initiated	Practice was expanded	Practice was scaled back	Practice was not impacted	Total
Partner with community organizations that provide employment services to people with disabilities	26.2%	47.0%	0.0%	26.8%	100%
Post positions on disability-focused job boards	21.4%	46.4%	0.6%	31.6%	100%
Use federal/state/local government training	18.5%	34.3%	0.9%	46.3%	100%

and/or placement programs					
Participate in internships or similar programs that target people with disabilities.	25.0%	33.3%	1.7%	40.0%	100%
Partner with disability services offices at colleges and universities	37.4%	30.8%	1.1%	30.8%	100%
Ensure that online application systems are accessible	21.5%	38.4%	0.0%	40.1%	100%

Question Text: How did the Section 503 regulations that became effective in March of 2014 impact the following practices in your organization/unit?

Note: Question only asked of respondents who currently had practice in place.

Recruitment: What Works?

In order to better gauge what employers are doing and what is working, we asked this open-ended question: “What recruiting efforts (not limited to the above) have you found particularly effective or ineffective in recruiting individuals with disabilities? Please provide any detail that may help others in considering such an effort.” A total of 69 respondents provided feedback, summarized below.

Demonstrating disability-inclusive culture

Many employers described efforts to demonstrate their commitment to accessibility and outreach to people with disabilities with practices such as: **creating an accessible job application system, using accessible job posting sites, attending online career fairs and virtual interviews** to make recruitment efforts and interviewing more accessible to people with disabilities. A respondent noted that it was effective to have “a **person with a disability recruit/onboard** new hires to get new hires with disabilities to feel more at ease to disclose.” Another noted that **assigning responsibility within the HR department** for recruiting, hiring

and retention of individuals with disabilities and veterans was helpful. One respondent noted that referrals were their most successful approach to finding qualified applicants, and that “an **environment friendly and safe for those with a disability** seem to be the best source for us.” Different types of organizations may try to build and demonstrate an inclusive culture in different ways, an institution of higher education noted they were “building a disability studies minor program which is working to attract more faculty in the field and serve as catalyst for research and ultimately workplace climate change.”

Educating recruiters and managers

Supporting recruiters through training and awareness-building, engaging hiring managers/supervisors, and tracking and reviewing disability related outreach efforts were cited as effective practices. Several respondents noted **educating recruiters through formal awareness training**, for example, one respondent noted that their “D&I Team conducted interview and recruiting etiquette [training] with our Talent Acquisition Teams. This is now a part of their ‘new recruiter’ training. It also provided them with information to assist their hiring managers when considering applicants/employees with disabilities.” **Engaging the hiring manager/supervisor** was also mentioned as a useful practice in recruitment and hiring, “Speaking with supervisors prior to the interview process and then bringing the supervisor in on the actual interview (not just the skill set testing) has been effective.” Another respondent noted that **sharing information about disability recruitment efforts** was added as a regular topic at recruiter staff meetings. In terms of tracking outreach and recruitment efforts, using dedicated source codes helped with data management and allowed recruiters to review what was working and make adjustments.

Engaging with disability community and professionals to educate about organization and its jobs

Several respondents mentioned **holding events or providing other opportunities for individuals with disabilities or disability service professionals to visit the company** were a useful way to engage the disability community and recruit. For example, one respondent's organization hosts "an annual job fair for individuals with disabilities, specifically [those who are] visually impaired." Another offers an onsite mentoring day for civilians and veterans with disabilities, providing the opportunity to learn more about the organization and potential positions. Other companies have had success with bringing disability organization professionals to the worksite. "We have **invited agencies to our workplace so they can see the type of work we do**. That way they can better assess to see if their clients have the right skills for the work, with or without accommodation."

The need to educate the disability community and service providers was important for several employers: "Making sure that the disability community understands the full range of opportunities in our organization versus what they may assume based on our industry." "[When] working with public and private or non-profit organizations to find talent, [i]t's very important for them to understand the roles but observation in the workplace so they can understand the demands of the job and find individuals that are able to perform the job." Another respondent reported that they work with "organizations that support the individual on the job through job coaching [and this] has been very effective. **Having a job coach come in and tour the company** prior to offering candidates an opportunity to apply has also created a successful partnership."

Several practices enriched relationships with local disability organizations. Educating providers and assisting potential applicants, for example, "**Recruiters have weekly office hours at local disability service provider** to provide information on jobs at the institution, assist

individuals in navigating the application system.” Another respondent stated that active engagement with disability organizations strengthen these ties: “Active and strong partnership/participation with specific organizations focused on supporting IWDs. This support should be beyond the HR team but **having business leaders and associates as active volunteers and board members for these organizations.**” Another respondent noted: “We've joined the advisory board at a local rehabilitation hospital to partner with other companies to develop education and best practices for hiring and developing people with disabilities.”

Job boards, partnerships, and resources

Many organizations reported using job boards to identify qualified candidates, but the feedback on the efficacy of using job boards was mixed. **Posting jobs on disability focused job boards or with disability related organizations** like state VR agencies, advocacy organizations, disability resource offices at colleges and universities, and centers for independent living (CILs) was useful for some organizations but many indicated **deeper partnerships were necessary**, “You have to engage with external agencies that will support you with employing persons with disabilities - posting opportunities on websites targeted for [individuals with disabilities] is not enough.”

Respondents named a wide variety of local, state, and national resources they used for recruiting. Many respondents are working with several partners: “We work closely with the **VA, Department of Rehabilitation, Community Agencies that provide support for people with disabilities - to include non-profits, Tech Schools, Colleges and other local community based services.**” Others collaborated with “**Vocational Rehabilitation Offices and Workforce Development Offices**” or “local **Workforce Boards** to educate potential employees on employment opportunities.” In seeking veterans as applicants, an organization worked with

“Veteran programs such as Vocational Rehab programs, partnering with the **veterans assistants at the One Stop sites**, and even **posting on military bases.**” Many organizations work with **local disability placement providers** and/or **disability advocacy organizations** locally. Other resources listed were Tangram Business Resourcing, The National Technical Institute for the Deaf, Career Opportunities for Students with Disabilities (COSD), Workforce Recruitment Program (WRP), US Business Leadership Network (USBLN), Careers and the Disabled, and Wounded Warriors.

Recruitment: Challenges

While self-identification was the most common area mentioned as challenging for employers desiring improved employment outcomes for people with disabilities, the broad category of outreach and recruitment was a close second identified by respondents. Employers raised several common issues, specifically structural and behavioral barriers in disability recruitment, partnering with local or community based-disability organizations, ineffective and expensive job posting boards, finding the correct skill sets for available jobs, concern about whether people with disabilities can do jobs, and outreach and recruiting source tracking.

Encouraging commitment to disability hiring

In order to make change it is important to **garner and communicate commitment to make disability recruitment and hiring a priority.** While this is challenging in a small organization, it can be even more difficult in a large, dispersed organization. Survey respondents reported: “We have trouble engaging people and getting commitment across the firm. We have 100 locations across the U.S. and some of our offices are smaller and have few resources to dedicate to making inroads in their localities. It is also hard to get those at the corporate level to take the time necessary to research, identify, and build relationships with organizations serving

IWDs.” Some respondents noted a challenge inherent in the structure of their recruiting staff. For example, one respondent said that there was **no central recruiting team** to communicate company-wide initiatives. Others observed that **training recruiters** around disability outreach was a challenge. Part of the issue identified is in **reaching out to recruiters** was the “difficulty in changing mindset of recruiters and hiring managers to consider alternative avenues to find candidates.”

Building and maintaining effective partnerships

Developing local partnerships can also be challenging as it **takes time to build relationships, and in some cases these partners may lack continuity and responsiveness.** As described by one respondent, the specific difficulty experienced is “finding and keeping good disability partner relationships that will provide us with qualified candidates. There always seems to be a really **high turnover rate** with several of the organizations we have used.” Another noted “Too much turnover in organizations that support and assist IWDs. Always seem to be reintroducing organization and getting new people up to speed.” “Unfortunately many of the disability vocational reps through the state have been unresponsive even after phone calls, emails, and visits. It's unfortunate because that's the best opportunity to get directly connected to applicants. Those that are communicative have been helpful; unfortunately it's only been a small percentage.” In some cases, the local agencies may focus on their own priorities and **not meet the needs of employer in finding candidates.** For example, “We have invited local workforce agency to our campus and met with them. But they're only interested in having our organization hire IWD from their lists. However, our practice is that all applicants need to apply to a position, we do not hire directly without a position.” Another noted frustration with, “Local referring agenc[ies] that "push" individuals through the system to up their numbers.” Several

organizations discussed the difficulty that being a larger company, with geographically diverse locations, brings in forming partnerships, which tend to be at a local level. One respondent stated, “We are a national employer and most not-for-profits in this space are local.”

Several respondents noted that there was just **a lack of availability and relevance of disability groups** to partner within the local area. Others said that they felt that partnerships were just not leading to the results they desired, “The results of our recruiting efforts have been marginal.

While we have reached out to the state rehab organizations and developed specific programs for outreach and identified jobs/departments to focus on, we haven't had the success we had hoped. We paid for a partnership with a disability outreach organization and haven't seen much success either.”

As an alternative to developing partnerships with community service provider organizations, several employers mentioned **using job boards, although there was concern about the effectiveness and cost**. As one respondent wrote: “posting opportunities on websites targeted for IWDs is not enough” to get qualified candidates for specific jobs. Another indicated that cost was a barrier to using disability specific job boards: “Posting to job boards that are geared towards individuals with disabilities is expensive. I have yet to find a government funded, free, site to post jobs other than the state job sites which do not effectively focus in individuals with disabilities.”

Finding candidates who are a good match to jobs

Several organizations struggled to **find recruitment sources for more skilled or experienced hires**. One respondent said, “I believe there are a limited number qualified engineers in the pool of disability focused organizations. Qualified candidates [with disability] become available to us through more conventional recruitment sources.” Another noted that,

“Because the majority of our opportunities are for experienced hires, we have not had the opportunity to work with college campuses or state-funded programs to support recruitment.”

Similarly, several employers mentioned that it is **challenging to find individuals for highly technical, more specialized roles or senior management roles**. For example, “Colleges and federal and state agencies come out (to) meet with us and promise to support us, but their clients typically/often do not have required technical skillsets for our positions.”

One respondent noted that the **effective disability recruitment may take more time**, describing the challenge of “Finding qualified applicants within a reasonable timespan to fill the position.”

Concern that people with disabilities are not a fit for certain types of jobs

Some employers expressed concern that their **positions would not be a fit for individuals with disabilities**. For example, “Many of our positions are in manufacturing plants and consequently, it is difficult (to) place some individuals” or “Hiring people with disabilities [is] challenging due to the physical nature of our work.” Another noted: “We do have outreach with many of the colleges... for our salary position hires. Our plant locations outreach is more challenging due to our production jobs being more challenging to staff.”

Tracking outreach and recruitment efforts

A few employers described challenges in **tracking outreach activity and candidate source tracking** -- “Outreach partners [are] not equipped to handle large organizations.” “The hardest for us has been to track every single outreach initiative, every day, all year long, and prepare the annual written assessment of the effectiveness of outreach. It is very hard to assess something when you have limited information or data. We also have to send out letters to all our suppliers every year asking them to take "appropriate action." What a waste of time. Most people don't know what to do with the letter, and then they start calling us.” One respondent noted the challenge of developing an **applicant tracking system to accurately track the source of hires**.

It was challenging to some to implement the new outreach and recruitment requirements with limited or no additional resources, “**Not enough people, time or budget.**”

Communication and Training

A strategy for communication about the recent regulations and more broadly about disability inclusion in the workplace has the potential to improve implementation of the regulations. Previous research has can inform both content and the critical targets of communication and training initiatives. Lack of knowledge of, communication about, and accountability for disability inclusion and related practices across all stages of leadership (top level to frontline supervisors) are important barriers to creating an inclusive climate (Nishii & Bruyère, 2014; Nishii & Bruyère, 2016). For example, top management commitment to disability inclusion is essential to implementation of effective practices (Domzal et al., 2008; Moore, Konrad, & Hunt, 2010) and can have an important impact on how managers and others implement practice (Bruyère, 2000; Bruyère, Erickson, & Horne, 2002; Nishii & Bruyère, 2014). Leaders can set the tone in an organization and their buy-in can influences how the rest of the organization feels about and implements an initiative. Therefore communicating this commitment, and demonstrating that is goes beyond compliance is important to effective implementation (Nishii & Bruyère. 2016; Nishii, 2010, 2014).

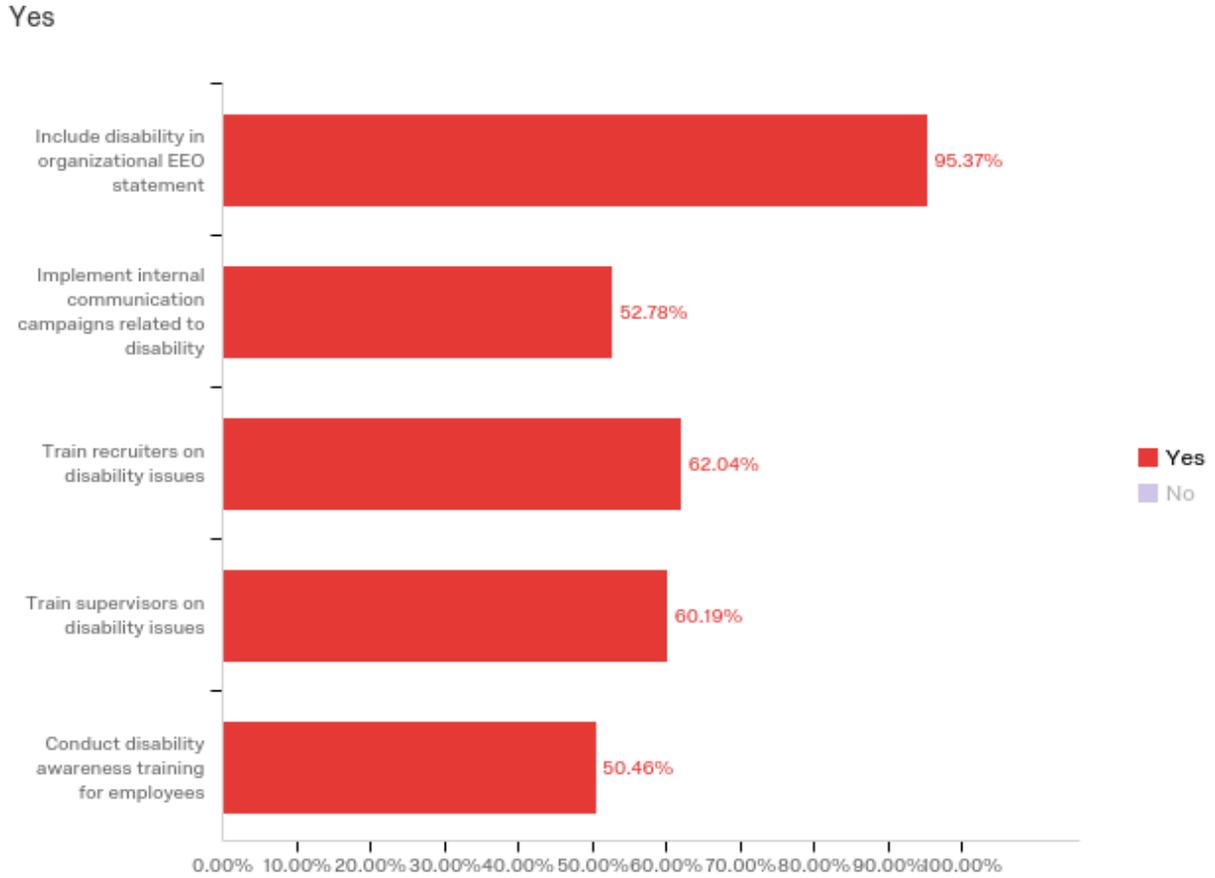
Building awareness of disability across the entire workforce can increase comfort levels and reduce stereotypes and bias, however there are some key players in the workforce who are critical to effective implementation. Managers are often the key arbiters of who gets hired, promoted, coached, included, developed, or terminated. Despite this gatekeeping role, direct managers are difficult to reach and are often not included in disability inclusiveness training efforts (Rudstam, Hittleman, Pi & Strobel Gower, 2013; Rudstam & Strobel Gower, 2012). Since

individuals with disabilities are much more likely to disclose a disability to their manager than to HR or via a formal self-identification system (Nishii & Bruyère, 2014), this lack of awareness may limit disability inclusion in the workplace and employees' willingness to self-identify. Further, recruiters are a key in developing a pipeline of talent, so building awareness and understanding of disability inclusion is important as organizations seek to meet the 7% utilization goal.

Communication and Training: What Contractors Are Doing?

Respondents answered questions about communication and training practices that they currently have in place. While more than 95% have disability in the organizational EEO statement, fewer were implementing internal communication campaigns related to disability (53%), or training managers (60%) or recruiters (62%) on disability issues providing disability awareness training for employees (51%) see Figure 6 below.

Figure 6. Communication and Training Practices Does your organization/unit currently have the following communication and training practices in place?



Question	Number (percent) of organizations/units with practice currently in place
Include disability in organizational EEO statement	206 (95.4%)
Implement internal communication campaigns related to disability	114 (52.8%)
Train recruiters on disability issues	134 (62.0%)
Train supervisors on disability issues	130 (60.2%)
Conduct disability awareness training for employees	109 (50.5%)

N=216

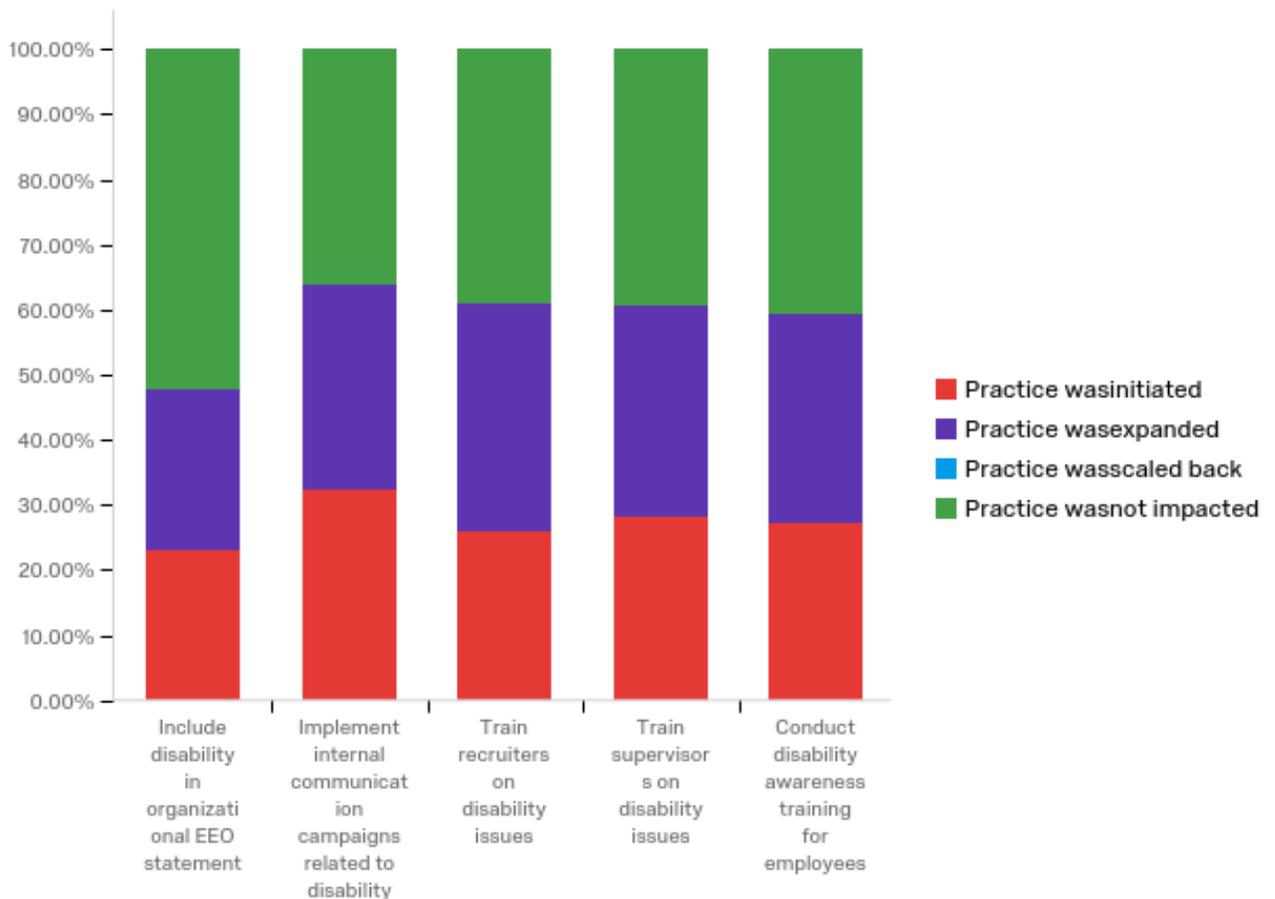
Question text: Does your organization/unit currently have the following communication and training practices in place?

The impact of recent Section 503 regulations

Among organization who had the practices listed in Figure 7 currently in place, between 23% and 32% initiated the practice as a result of the recent regulations; and 25% to 35% of organizations expanded the practice. Training recruiters on disability issues (35%) was the practice most commonly expanded and implementing internal communication campaigns related to disability was the most commonly initiated practice (32% initiated the practice).

Figure 7. Communication and Training Practices: How did the Section 503 regulations impact the following practices?

Yes



Question	Practice was initiated	Practice was expanded	Practice was scaled back	Practice was not impacted	Total
Include disability in organizational EEO statement	23.1%	24.6%	0.0%	52.3%	100%
Implement internal communication campaigns related to disability	32.4%	31.5%	0.0%	36.1%	100%
Train recruiters on disability issues	25.8%	35.2%	0.0%	39.1%	100%
Train supervisors on disability issues	28.2%	32.3%	0.0%	39.5%	100%
Conduct disability awareness training for employees	27.2%	32.0%	0.0%	40.8%	100%

Question Text: How did the Section 503 regulations that became effective in March of 2014 impact the following practices in your organization/unit?

Note: Question only asked of respondents who currently had practice in place.

Communication and Training: What Works?

Fifty-one respondents suggested practices that were working in their organizations in response to the question: What communication and training efforts related to disability (not limited to the above) have you found particularly effective or ineffective? Please provide any detail that may help others considering such an effort.

Respondents suggested many approaches to get the word out about Section 503-related initiatives, these fell into the broad (not mutually exclusive) categories of campaigns, messaging, and training. Some organizations were just beginning to build a communication strategy: “Our

company is in the process of expanding our communication and training efforts to reach all managers and employees to further educate them on disability awareness and encourage greater self-disclosure of those with disabilities by creating a more inclusive and comfortable environment.” Others had implemented strategies and were evaluating results, often by examining changes in the self-identification rate.

Communication campaigns and messaging

Respondents talked about **communication campaigns around disability**, with one observing: “Intermittent campaigns internally seem to have increased willingness to self-identify because the topic has been "normalized" by talking about it.” A critical piece was engaging individuals with disabilities in developing communication strategies; as the saying goes, “nothing about us, without us.” A respondent said that it was helpful to engage “the **disability business resource groups** to help plan and/or participate in campaign.”

Respondents described campaigns that included a variety of elements to raise awareness, including: “the **use of learning videos, narratives, awareness and etiquette training;**” “**Onsite events and activities** relating to disability inclusion;” “**Communications from senior leaders regarding importance;**” and “**Showing what the company does for the disability community & sharing employee stories.**” Another reported “Posting a short video [of] the individual who may or may not have a noticeable disability, but is excited to share a little bit about their job responsibilities and a **small success story.**” Several respondents echoed the value of leader involvement and sharing success stories “In all aspects of communication and recruiting I find the **most effective efforts are those led by and supported by leadership with practical examples and success stories.**” One respondent pointed out that the most powerful messaging is seeing people with disabilities in the workplace “seeing is believing.” This can be achieved

through messaging that includes sharing personal stories of individuals who are successful in the workplace.

The messages that organizations were working to convey centered on encouraging self-identification –communicating to employees sharing information about disability is potentially helpful both for the individual with a disability and also the organization. The **messaging can be complex**, however, as illustrated by respondents who reported “Trying to explain that just because someone may be able to "check the box" that they have, or have had, a disability doesn't mean they are "disabled" in the work force. We have lots of employees with invisible disabilities and they may, or may not, require accommodations.” Different modes of **sharing disability messaging** that were mentioned include **internal online communities like Facebook or LinkedIn, internal blogs, webinars, and email.**

Training related to disability

Training is a key part of educating about disability and relevant practices, but respondents differed as to who was trained, how training was administered, and what was covered. **Disability awareness and etiquette** and **ADA Accommodation training** were the most frequently mentioned training topics. Other training mentioned included **web accessibility** and **document accessibility training** for different audiences within their organization. As one respondent noted “having material in alternative format-ready at the time of requests” demonstrates a commitment to disability inclusion. By educating all workers about accessibility, materials can be designed to be accessible from the beginning, saving time in the long run.

Organizations who recruit from certain disability groups, e.g., people who are deaf, may benefit from training that builds awareness for coworkers, for example, building awareness of Deaf culture. Training for all employees and targeted to supervisors and recruiters were all

mentioned, with some **disability related training integrated into existing training**. This was often within orientation or manager training, but in other cases was a **standalone training**. Some respondents mentioned that they outsourced a training and awareness program, while others had the capacity to develop the programming within the organization.

The approaches to training were varied and depended on different factors. Some indicated that **in-person training** was their approach while another respondent noted that **“Webinar training is the easiest and most effective way to communicate with our managers and employees.”** Educating workers in different jobs may require different training approaches, **“We are constantly trying to educate our workforce about the laws, regulations and rights that they have here in the U.S. We do all-employee briefings (mostly on safety), but when we gather employees together, we try to talk about things like equal opportunity, non-harassment, benefits, disability, and so forth. Our workforce doesn't sit in an auditorium and watch a PowerPoint presentation. They come to a yard or a trailer and then go to their job sites. We try to train in groups, before they go out, or at the end of the day when all the trucks and laborers return.”** In smaller organizations, different approaches may be more effective, for example, one organization provides **“one-on-one communication with supervisors/managers** as it relates to individuals asking for accommodation.” One respondent noted that encouraging managers to keep **“an open door for any issues that may arise and being open and flexible in supervising** an employee with a disability has been effective.”

Communication and Training: Challenges

Communicating importance of disability initiatives across the organization

One of the biggest challenges noted in communication and training was **getting buy-in and engagement from the key players in the organization**. As one respondent noted, “Getting

everyone on board and the same page at the same time.” Having a **decentralized organization** made this even tougher, “Our organization is decentralized and the challenge has been trying to get other schools to buy into one central practice” one respondent stated that “**lack of a D&I team**” made implementation of communication strategies more difficult.

Respondents described difficulty building engagement at several levels of their organization, specifically among leaders, recruiters, and managers. One respondent noted it was a challenge to get leaders to care “about this aspect of diversity in the workplace” and several respondents observed that “**gender and race issues constantly seem to be at the forefront** when addressing diversity and inclusion and disability is rarely addressed.” One respondent stated that it is challenging to influence, “**corporate culture to see this as a business imperative initiative** and expand the work we are doing under these regulations.”

Engaging managers and recruiters

Two other key stakeholders in the organization that respondents mentioned as communication challenges were recruiters and managers. They described issues with “**getting our Talent Acquisition Group on board** with developing effective partnerships to improve outreach efforts,” and “difficulty in **changing mindset of recruiters and hiring managers** to consider alternative avenues to find candidates.” Respondents said that they struggled in “training managers to understand that a disability goes beyond what may be visual and the critical role they have in the process,.” and more generally, “**communicating to managers the reason for the 7% utilization goal.**”

Getting training initiatives off the ground

There were several concerns raised about **putting a training program in place**. One respondent noted that they “developed comprehensive education series on disability accommodations but were unable to obtain support to deliver training” and another said “The

most challenging to me were: 1. making the business case for the training, 2. making the training mandatory, 3. extremely low training participation rates.”

Current initiatives not working

Several were unsure about whether communication and training efforts were making a difference. For example, “We have not been able to **determine if the training efforts have been successful**, as we continue to witness employees choosing not to identify as disabled that are perceived to be such at the business unit.” “The communication during open enrollment netted a few self-identifications each year but not **enough to move the needle**.” “We recently emailed employees for the mid 5-year notice that they could update their status at any time through our HRIS self-service. Only about 3% of our employees updated their status and most of them didn't actually change their selection, they just resent the same selections.”

Accommodation and Networking

Creating a supportive environment for employees (with and without disabilities) can increase employee retention, an important goal for employers. This section focuses on two approaches to supporting workers with disabilities, specifically through providing accommodation and through what we broadly refer to as networking.

Accommodation can provide important benefits such as retention of valued employees, increased employee productivity, increased attendance among workers with and without disabilities, enhanced workplace diversity, savings in workers' compensation or insurance cost, and improved overall company safety (Loy, 2016). However, one-quarter of HR professionals cited supervisor lack of knowledge of accommodations as a barrier to employing people with disabilities (Erickson et al., 2013). Developing a formalized process that is easy to access when needed can make the process easier for all involved, including the employee, manager and HR.

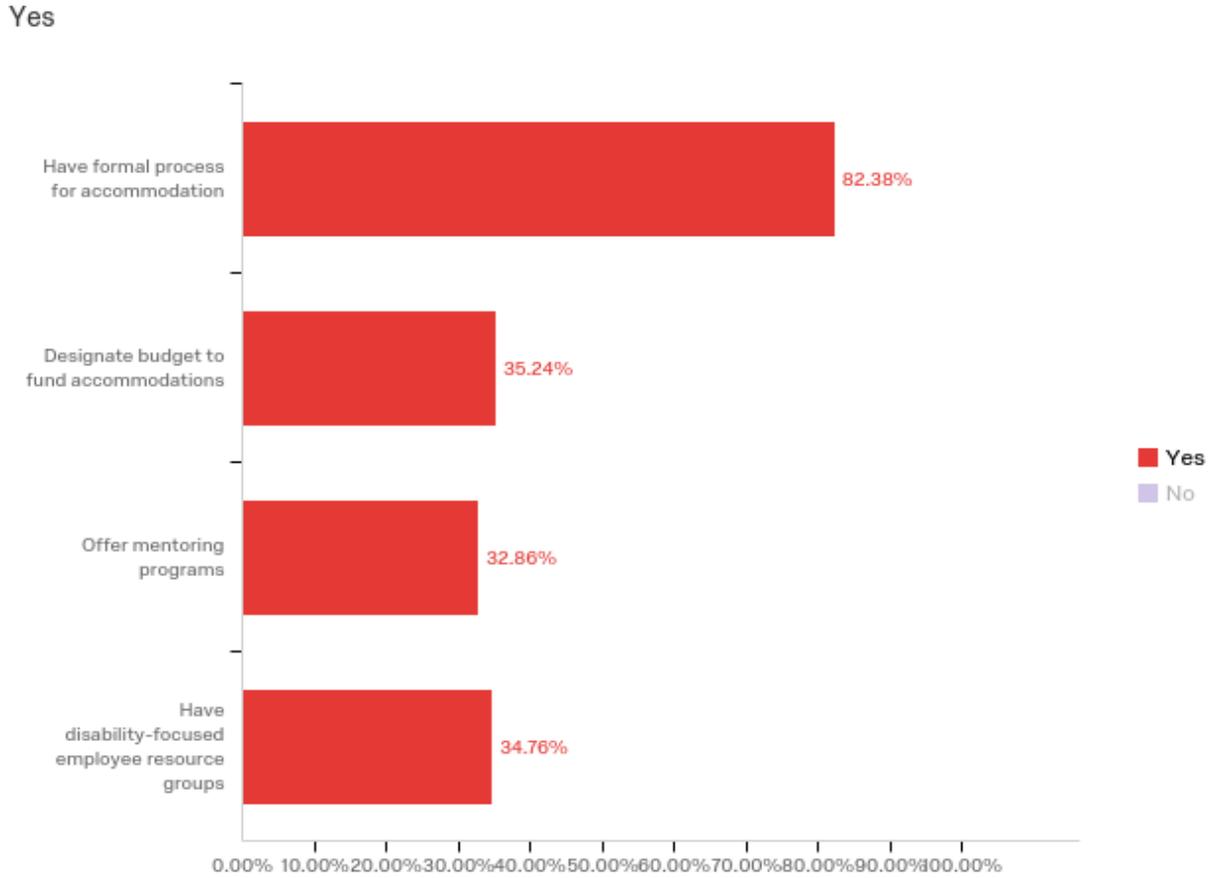
Further, removing concerns about budgetary implications of providing accommodations at the unit level has the potential to remove concern about accommodations, and some organizations approach this by having a centralized fund for accommodation.

Mentoring and sponsorship programs can connect employees and build networks across an organization; these programs have the potential to support the advancement of under-represented minority groups including people with disabilities. Another approach to creating a supportive environment is to provide employees additional opportunities to contribute to the organization by offering their input. Examples of such strategies include soliciting feedback via surveys or focus groups, and including employees at various levels of the organization in analysis and related decision-making. In recent decades, employee resource groups (ERGs) have emerged as a promising approach to engaging employees, and have become a central employer diversity initiative. They provide a conduit of feedback to leadership, can improve recruitment of diverse populations, demonstrate the importance of workplace diversity, and lead to more inclusive HR and processes (Ball, Monaco, Schmeling, Schartz, & Blanck, 2005; Douglas, 2008; Githens, 2009; Githens & Aragon, 2009; Muñoz & Thomas, 2006).

[Accommodation and Networking: What Contractors Are Doing?](#)

The accommodation and networking practices designed to support and retain workers with disability were somewhat less common than the recruitment and communication practices presented earlier. One exception is having a formal process for accommodation, which 83% of organizations/units had implemented. Only about a third of organizations/units reported having the following practices in place: a designated budget for accommodations, mentoring program or a disability- focused ERGs see Figure 8 below.

Figure 8. Accommodation and Networking Practices: Does your organization/unit currently have the following practices in place?



Question	Number (percent) of organizations/units with practice currently in place
Have formal process for accommodation	173 (82.4%)
Designate budget to fund accommodations	74 (35.2%)
Offer mentoring programs	69 (32.9%)
Have disability-focused employee resource groups	73 (34.8%)

N=210

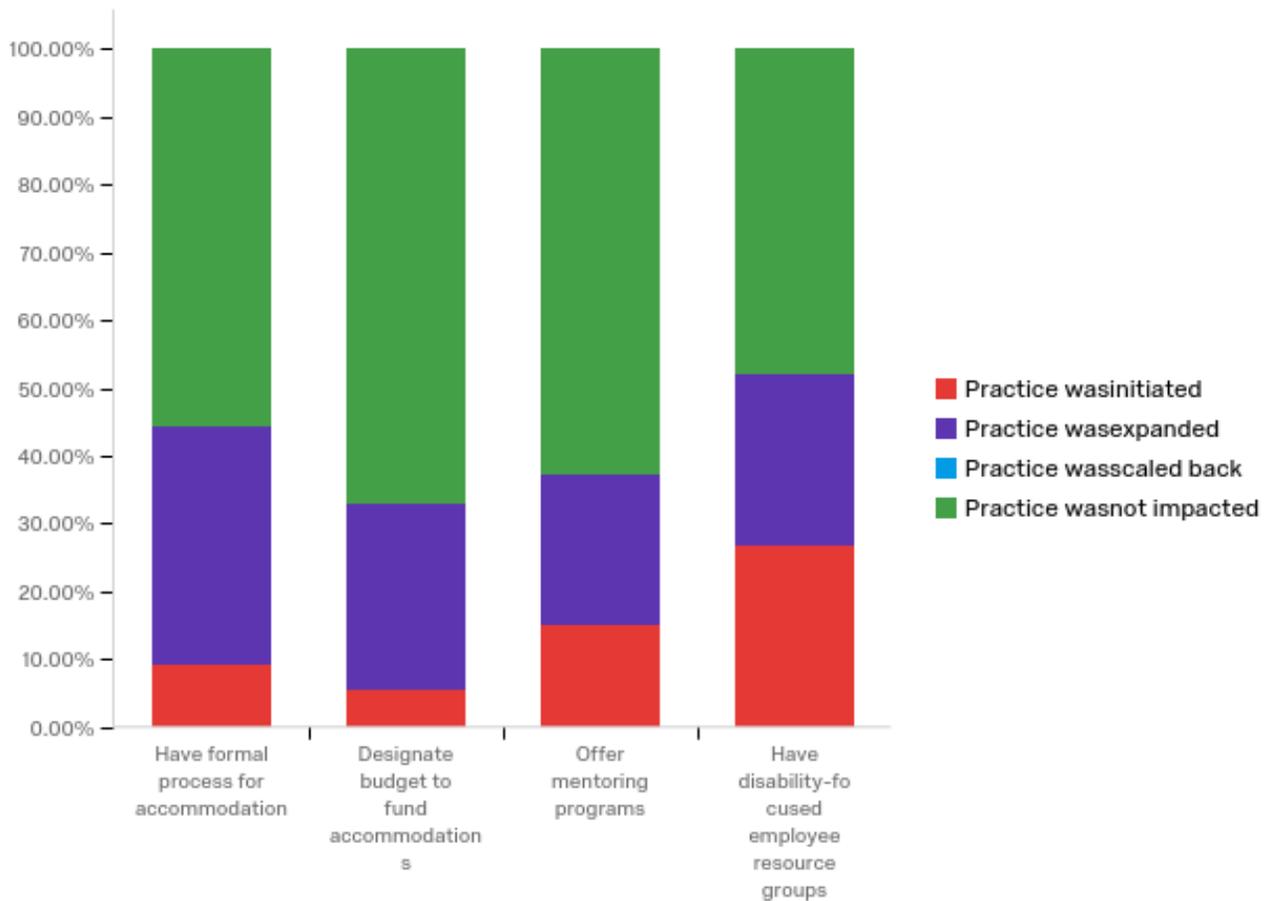
Question text: Accommodation and networking practices: Does your organization/unit currently have the following accommodation and networking practices in place?

The impact of recent Section 503 regulations

Among organizations who had the practices listed in Figure 9 currently in place, between 5% and 27% (depending on the practice) initiated the practice as a result of the recent regulations; and 22% to 35% of organizations expanded the practices. Having a formal process for accommodation (35%) was the practice most commonly expanded and having a disability-focused employee resource group was the most commonly initiated practice (27% initiated the practice).

Figure 9. Accommodation and Networking Practices: How did the Section 503 regulations impact the following practices?

Yes



Question	Practice was initiated	Practice was expanded	Practice was scaled back	Practice was not impacted	Total
Have formal process for accommodation	9.3%	34.9%	0.0%	55.8%	100%
Designate budget to fund accommodations	5.5%	27.4%	0.0%	67.1%	100%
Offer mentoring programs	14.9%	22.4%	0.0%	62.7%	100%
Have disability-focused employee resource groups	26.8%	25.4%	0.0%	47.9%	100%

Question Text: How did the Section 503 regulations that became effective in March of 2014 impact the following practices in your organization/unit?

Note: Question only asked of respondents who currently had practice in place.

Accommodation and Networking: What Works?

Thirty-seven respondents provided more detail on their practices related to supporting people with disabilities in response to this question: What practices or programs (not limited to the above) have been particularly effective or ineffective in supporting people with disabilities? Please provide any detail that may help others considering such an effort.

Creating an accommodating workplace

In one smaller organization the workplace was described as “familial,” with an aging workforce they were able to accommodate and retain workers. Another smaller company stated, “Since the company is [small], Management is easily accessible with Open Door Policy. If a **reasonable accommodation is required, it is quickly addressed.** There are no layers and layers of Management, and Human Resources is the main contact for many employees.” Another organization said: “To date I know of no accommodations that have been requested by our

employees that were not honored. **We make every effort to have our employees comfortable in their workspace and able to perform their job duties.**”

As organizations grow in size, the need for a formalized policies and processes, as well as dedicated staff responsible for the accommodation process, were noted. These policies and processes were reported as necessary to ensure **“uniformity and consistency” in the accommodation process**, and also the need to make these resources accessible to all employees. One respondent cited the **importance of clearly defining the accommodation process**, from how a request is initiated and processed, providing access to forms and estimates of the timeline for decision-making. **Prominently sharing information about the process** was also mentioned: “We have made material on our policies and on requesting accommodations more prominent on our web sites. We are making an effort to assure that this material and all other policy material be presented in a format accessible to individuals with low vision.”

Several respondents described how accommodations are funded in their organizations. “We have formal policies in place and an organizational commitment to provide reasonable accommodations. We **include funds in program budgets to support employee accessibility/accommodations** whenever an employee with a disability is hired. We also include funding in program budgets to support accessibility/accommodations for clients. These are separate line items.” The funding of accommodation was mentioned by several others, with most stating that they had a centralized fund for accommodation, while others did not have a dedicated budget reserved. Some reported that **“Although there is not a budget for this, funds become available for what's needed when it's needed.”** Another said: “We don't have a specified budget for accommodations, it is up to the manager to provide and we haven't had any issues with that. We provide a lot of ergonomic accommodations to people that don't have disabilities,

so the **culture is one that we will get you what you need to do your job.**” Another mentioned that “**We add funds to the budgets** of groups that need accommodations resources.”

Designated staff for disability-related matters

The **availability of designated staff** to offer support around accommodation and disability related issues more generally was described by several respondents. One respondent noted they had “expanded resources within our HR team to be able to address employees and supervisors in handling questions and helping work through solutions.” Another respondent’s organization had a “**Dedicated point of contact for all disability-related matters.**” Another mentioned other roles that were part of their organization, “We have a dedicated Veteran's Liaison to support our Veterans with Disabilities. We also have a person in charge of Assistive Technology.” One respondent’s organization had established a “**disability inclusion strategy task force.**” Not every organization will have expertise around disability issues internal to the organization; one respondent cited the valuable resources in the community related to disability and in particular with partnering disability organizations to fill this gap.

Using data to understand needs and what works

Beyond accommodation, several respondents **used data to understand needs and to better support employees with disabilities.** Approaches to data collection were diverse but were designed to provide targeted information for planning. “We have **employee focus groups** that include people with disabilities to discuss on-going employee needs for diversity education.” Another said: “We **administered a survey** to determine what workplace climate issues may be related to disability identification. Moving forward we are working with administrators to include additional demographic facets in climate surveys conducted among faculty and staff.” Having regular discussions with the implementers of policy and practice in the organization can

provide an important perspective: “**Open discussions with HR and managers** regarding needs, requirements, what's working/what isn't working.”

Utilizing disability employee resource group

While some organizations mentioned the challenge of getting a disability ERG off the ground, those organizations who had active ERGs found their collaboration invaluable --“Our **Disability ERG** is celebrating their 10th year, (and) it has been the catalyst for change throughout the enterprise.”

Accommodation and Networking: Challenges

There were relatively fewer challenges noted in this area, perhaps because the Section 503 regulations are more focused on outreach and hiring and less on retention.

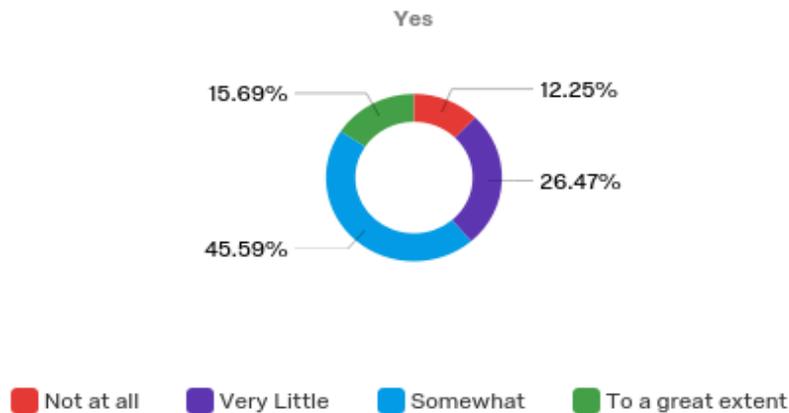
Starting a disability-focused ERG

A couple of respondents raised concerns about retention, as one respondent described the challenge of “creating & implementing internal programs to support disability candidates once hired (such as ERGs).” The value of input and collaboration from active disability employee resource groups was noted by several respondents, but one challenge was **getting disability-focused employee resource groups off the ground**, even in organizations that had other employee resource groups. One respondent explained: “We attempted to initiate a disability-focused employee resource group and did not get sufficient response.” Some attributed that difficulty to the importance of such groups growing out of a grassroots effort and not a top-down initiative: “We have several employee resource/affinity groups, but have had a hard time getting a disability group started. There hasn't been **a grass roots push from employees**, so our senior leadership has not made it a priority. Our other groups started as employee driven groups.”

Summary: Overall impressions of respondents on new regulations.

Implementing the recent regulations required significant changes for many employers, and with those changes come challenges. Overall, many employers did not have major challenges implementing the regulations, with just over 60% indicating that they had experienced challenges as “to a great extent” or “somewhat.” While the rest indicated very little or no challenges in implementation, see Figure 10 below.

Figure 10. Respondent ratings of extent their organization/unit encountered challenges in implementing the recent Section 503 regulations.



	Frequency	Percent
To a great extent	32	15.7%
Somewhat	93	45.6%
Very Little	54	26.5%
Not at all	25	12.3%

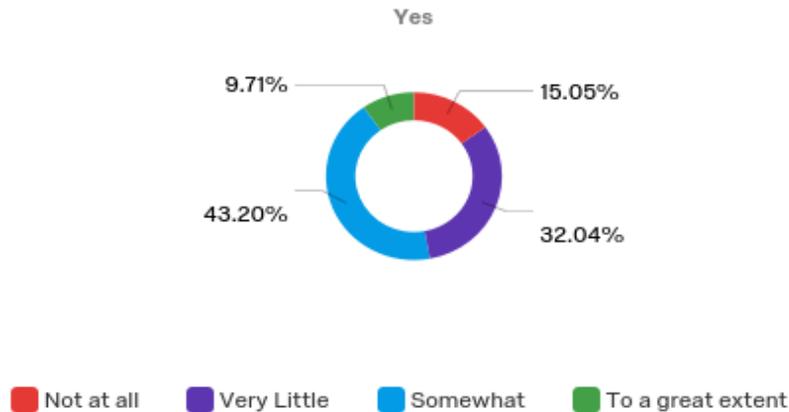
N=201

Question text: To what extent has your organization/unit encountered challenges in implementing the recent Section 503 regulations?

The goal of increasing employment of individuals with disabilities for many employers has meant changes in policy and practice at organization. Overall, about half of respondents felt their organization’s policies or practices related to employing people with disabilities had

changed “somewhat” or “to a great extent” and a result of the recent regulations, see Figure 11 below.

Figure 11. Respondent ratings of extent their organization/unit's practices and policies related to employing people with disabilities changed as a result of the recent Section 503 regulations



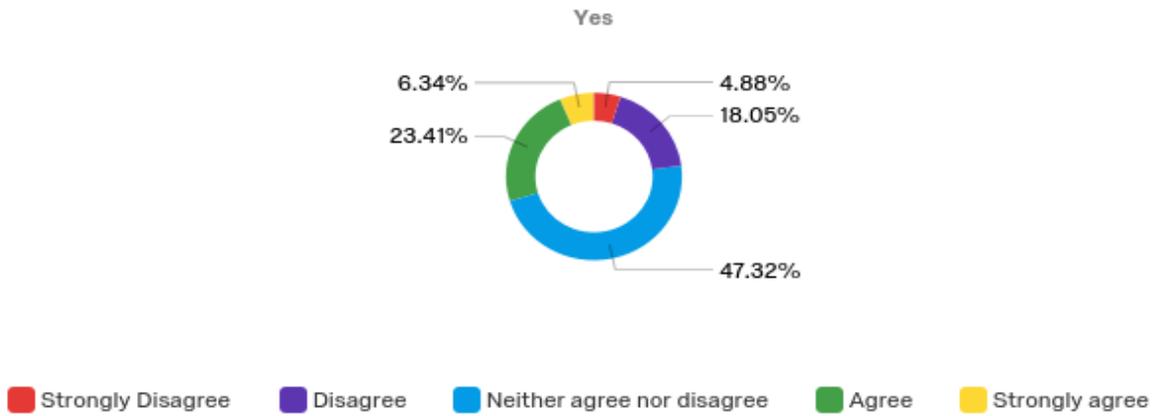
	Frequency	Percent
Not at all	31	15.1%
Very Little	66	32.0%
Somewhat	89	43.2%
To a great extent	20	9.7%

N=206

Question Text: Overall, to what extent have your organization/unit's practices/policies related to employing people with disabilities changed as a result of the recent Section 503 regulations?

Interestingly, despite the changes to practice and policy, contractors were not sure whether the changes that they were implementing will lead to an increase in employment of people with disabilities in their organization. Nearly 30% thought there would be an increase in disability representation in their organization, with the remainder unsure (47%) or disagreeing (23%) that there would be an increase, see Figure 12 below.

Figure 12: Respondent level of agreement with the following statement, “The recent Section 503 regulations will lead to increased employment of people with disabilities in my organization/unit.



	Frequency	Percent
Strongly Disagree	10	4.9%
Disagree	37	18.1%
Neither agree nor disagree	97	47.3%
Agree	48	23.4%
Strongly agree	13	6.3%

N=205

Question text: Please rate your level of agreement with the following statement: "The recent Section 503 regulations will lead to increased employment of people with disabilities in my organization/unit."

Conclusions

In the brief three-year time since the initiation of the recent Section 503 regulations, the results of this survey suggest that they have already had an important impact. Respondents to this survey of federal contractors report that their organizations have been setting targets/goal around the recruitment, hiring, retention and advancement of people with disabilities. Further, they are collecting data to understand progress toward their targets/goals including the 7% utilization goal, with a small proportion already meeting that goal. Despite challenges with implementation, contractors are responding to the regulatory changes by implementing disability inclusive

policies and practices, and many believe that these efforts will increase the employment of individuals with disabilities in their organizations – the ultimate objective of these Section 503 regulations.

There has been substantial change in the probability of a contractor review ending in a disability violation following the recent Section 503 regulations. In total, the risk of a disability violation has fallen nearly 21 percentage points. Contractors with parent firms are increasingly less likely to be found to have any type of violation. Regional variation persists with employers from the Southwest and Pacific at higher risk of disability violations.

References

- Acemoglu, D., & Angrist, J. D. (2001). Consequences of Employment Protection? The Case of the Americans with Disabilities Act. *Journal of Political Economy*, 109(5).
- Ameri, M., Schur, L., Adya, M., Bentley, S., McKay, P., & Kruse, D. (2015). *The disability employment puzzle: A field experiment on employer hiring behavior* (No. w21560). National Bureau of Economic Research.
- Ball, P., Monaco, G., Schmeling, J., Schartz, H., & Blanck, P. D. (2005). Disability as diversity in Fortune 100 companies. *Behavioral Sciences & the Law*, 23(1), 97–121.
- Beegle, K., & Stock, W. A. (2003). The labor market effects of disability discrimination laws. *Journal of Human Resources*, 38(4), 806-859.
- Bjelland, M. J., Bruyere, S. M., von Schrader, S., Houtenville, A. J., Ruiz-Quintanilla, A., & Webber, D. A. (2010). Age and disability employment discrimination: Occupational rehabilitation implications. *Journal of occupational rehabilitation*, 20(4), 456-471.
- Blanck, P. D. (1994). Communicating the Americans with Disabilities Act. *Transcending Compliance: A Case Report on Sears, Roebuck and Co.*
- Brannick, A., & Bruyère, S. (1999). The ADA at work: Implementation of the employment provisions of the Americans with Disabilities Act. *Alexandria, VA: Society for Human Resource Management.*
- Bruyère, S. M. (2000). *Disability employment policies and practices in private and federal sector organizations*. Ithaca, NY: Cornell University, Program on Employment and Disability. Retrieved from <http://digitalcommons.ilr.cornell.edu/edicollect/63>
- Bruyère, S. M., Erickson, W. A., & Horne, R. (2002). *Disability employment policies and practices in U.S. federal government agencies: EEO/HR and supervisor perspectives. Report by the Presidential Task Force on Employment of Adults with Disabilities*. Ithaca, NY: Cornell University, School of Industrial and Labor Relations—Extension Division, Program on Employment and Disability. Retrieved from <http://digitalcommons.ilr.cornell.edu/edicollect/66>

- Bruyère, S. M., Erickson, W. A., & VanLooy, S. A. (2006). The impact of business size on employer ADA response. *Rehabilitation Counseling Bulletin*, 49(4), 194-206.
- Bruyère, S. M., Golden, T., & VanLooy, S. A. (2011). Legislation and rehabilitation professionals. In S. Flanagan, H. Zaretsky, & A. Moroz (Eds.), *Medical Aspects of Disability* (4th ed., pp. 669–686). New York, NY: Springer Publishing Company.
- Burkhauser, R. V. (1997). Post-ADA: Are people with disabilities expected to work?. *The Annals of the American Academy of Political and Social Science*, 71-83.
- Dixon, K. A., Kruse, D., & Van Horn, C. E. (2003). Restricted access: A survey of employers about people with disabilities and lowering barriers to work. New Brunswick, NJ: Rutgers University Heldrich Center for Workforce Development.
- Domzal, C., Houtenville, A., & Sharma, R. (2008). *Survey of employer perspectives on the employment of people with disabilities: Technical report*. Washington, DC: Office of Disability Employment Policy, Department of Labor.
- Douglas, P. H. (2008). Affinity groups: Catalyst for inclusive organizations. *Employee Relations Today*, 34(4), 11–18. doi:10.1002/ert.20171
- Erickson, W. A., von Schrader, S., Bruyère, S. M., & VanLooy, S. A. (2013). The employment environment: Employer perspectives, policies, and practices regarding the employment of persons with disabilities. *Rehabilitation Counseling Bulletin*, 57(4), 195–208.
- Erickson, W. A., von Schrader, S., Bruyère, S. M., VanLooy, S. A., & Matteson, D. S. (2014). Disability -inclusive employer practices and hiring of individuals with disabilities. *Rehabilitation Research, Policy, and Education*, 284, 309–328. <http://doi.org/10.1891/2168-6653.28.4.309>
- Erickson, W. Lee, C., & von Schrader, S. (2016). *2014 Disability Status Report: United States*. Ithaca, NY: Cornell University Yang Tan Institute on Employment and Disability (YTI).
- Githens, R. P. (2009). Capitalism, identity politics, and queerness converge: LGBT employee resource groups. *New Horizons in Adult Education & Human Resource Development*, 23(3), 18–31.
- Githens, R. P., & Aragon, S. R. (2009). LGBT employee groups: Goals and organizational structures. *Advances in Developing Human Resources*, 11(1), 121–135. doi:10.1177/1523422308329200
- Jans, L., Kaye, H. S., & Jones, E. (2012). Getting Hired: Successfully Employed People with Disabilities Offer Advice on Disclosure, Interviewing, and Job Search. *Journal of Occupational Rehabilitation*, 22(2), 155–165. <https://doi.org/10.1007/s10926-011-9336-y>
- Kessler/NOD. (2010). Survey of Employment of Americans with Disabilities. New York, NY: Kessler Foundation & National Organization on Disability. Retrieved from <http://www.2010disabilitysurveys.org/octsurvey/index.html>
- Lengnick-Hall, M., Gaunt, P., & Collison, J. (2003). Employer incentives for hiring individuals with disabilities. Alexandria, VA: Society for Human Resource Management.
- Linden, A., & Adams, J. L. (2011). Applying a propensity score-based weighting model to interrupted time series data: improving causal inference in programme evaluation. *Journal of evaluation in clinical practice*, 17(6), 1231-1238.
- Loy, B. (2016). Accommodation and compliance series workplace accommodations: Low cost, high impact. Jan Accommodation Network. Retrieved from <http://askjan.org/media/lowcosthighimpact.html>

- Maxwell, N., Moorthy, A., Francis, C. M., & Ellis, D. (2013). *Using Administrative Data to Address Federal Contractor Violations of Equal Employment Opportunity Laws* (No. ba1fac8005c2486f81a803bc839502e9). Mathematica Policy Research.
- Moore, M. E., Konrad, A. M., & Hunt, J. (2010). Creating a vision boosts the impact of top management support on the employment of managers with disabilities: The case of sport organizations in the USA. *Equality, Diversity and Inclusion: An International Journal*, 29(6), 609–626. Retrieved from <http://www.emeraldinsight.com/journals.htm?articleid=1881504>
- Moss, K., Ullman, M., Starrett, B. E., Burris, S., & Johnsen, M. C. (1999). Outcomes of employment discrimination charges filed under the Americans with Disabilities Act. *Psychiatric Services*.
- Nicholas, R., Kauder, R., Krepcio, K., & Baker, D. (2011). *Ready and able: Addressing labor market needs and building productive careers for people with disabilities through collaborative approaches*. New Brunswick, New Jersey: NTAR Leadership Center, New Brunswick: NJ: Rutgers University.
- Nishii, L. (2010, November). *Managers' diversity practice attributions: Why we should care*. Paper presented at 16th Annual Wharton Organizational Behavior Conference, Philadelphia, PA.
- Nishii, L. (2014). *Leveraging OB theories and multilevel methods to expand HRM research*. Paper presenting at the Spanish Academy of Management Conference, Tarragona, Spain.
- Nishii, L., & Bruyère, S. M. (2014). *Inside the workplace: Case studies of factors influencing engagement of people with disabilities*. Research Brief Summarizing material presented at the 2013 State of the Science Conference. Ithaca NY: Employment and Disability Institute. Retrieved from <http://digitalcommons.ilr.cornell.edu/edicollect/1351/>
- Nishii, L. H., & Bruyère, S. M. (2016). Conducting case studies. In S. M. Bruyère (Ed.), *Disability and employer practices: Research across the disciplines* (pp. 125–148). Ithaca, NY: Cornell University Press.
- Rudstam, H., Hittleman, M., Pi, S., & Strobel Gower, W. (2013). Bridging the knowing-doing gap: Researching a new approach to disability and employment programming. *Journal of Vocational Rehabilitation*, 39(1), 43–60. doi:10.3233/JVR-130641
- Rudstam, H., & Strobel Gower, W. (2012). Beyond instruction; beyond a website: Distance learning, disability inclusiveness and changing workplace practices. *Rehabilitation Research, Policy & Education*, 26(4), 345–354
- Saal, K., Martinez, L. R., & Smith, N. A. (2014). Visible Disabilities : Acknowledging the Utility of Acknowledgment. *Industrial and Organizational Psychology*, 7(2), 242–248.
- Santuzzi, A. M., Waltz, P. R., Finkelstein, L. M., & Rupp, D. E. (2014). Invisible Disabilities: Unique Challenges for Employees and Organizations. *Industrial and Organizational Psychology: Perspectives on Science and Practice*, 7(2), 204–219.
- Schur, L., Kruse, D., & Blanck, P. (2005). Corporate culture and the employment of persons with disabilities. *Behavioral Sciences and the Law*, 23(1), 3–20.
- Shaughnessey, J. J., Zechmeister, E. B., & Zechmeister, J. S. (2012). *Research Methods in Psychology*.
- von Schrader, S., Malzer, V., Bruyère, S. (2013). Perspectives on disability disclosure: The importance of employer practices and workplace climate. *Employee Responsibilities and Rights Journal*.

von Schrader, S., & Nazarov, Z. E. (2014). Employer characteristics associated with discrimination charges under the Americans with Disabilities Act. *Journal of Disability Policy Studies*.