Submission to the 'Improving Lives' consultation: from the Work Foundation Employer Group

In January 2017 the Work Foundation convened a group of representatives from small and medium-sized employers to discuss the implications of the Green Paper for them, and where they felt there were opportunities for change. This document offers an overview of that meeting, including quotes from participants, and highlighting key points for consideration.

Summary:

- **What are the key barriers preventing employers of all sizes and sectors recruiting and retaining the talent of disabled people and people with health conditions?**
  A lack of knowledge and understanding about disability inhibits employment. Many employers are unaware of how to implement reasonable adjustments to allow those with specific needs to do their jobs. Scarcity of resources (particularly time and money) affects retention rates, and poor understanding and poor relationships between employees and HR, or business owners, inhibits effective condition management at work.

- **What expectations should there be on employers to recruit or retain disabled people and people with health conditions, and what measures would support them to do so?**
  Employers should meet not only their legal responsibilities, but also should make efforts to engage with Government services (such as Access to Work) in order to more effectively manage conditions at work. They must also strive to create a working atmosphere with a positive attitude towards disability. Employees need to remain motivated, and have the confidence to ask for help where needed.

Key themes:

- **Relationships**: particularly the often crucial role of line managers in larger and medium sized companies, and owners in smaller ones.

- **Information**: better communication about sources of support and what works to both employers and employees.

- **Changing the messages**: promoting the positive about employing people, *with and without disabilities*, focus on skills and attributes.

- **Costs and savings are important**: employers do not currently understand the costs they are incurring and the savings they could make if they did better on employee health. We can make this case stronger.

- **Empowering individuals:** to call for action in their workplace, and protecting them from employers who do not respond as they should (both legally and within the "duty of care").

- **Getting in early**: early intervention for young people to better support entry into the labour market, including working with education providers.

Who we are:

The Work Foundation transforms people's experience of work and the labour market through high quality applied research that influences public policies and organisational practices while empowering individuals. Our Health at Work Policy Unit (HWPU) provides independent, authoritative and evidence-based policy recommendations and commentary on contemporary issues around health, wellbeing and work.

We would like to thank those employers who participated in our workshop, and are grateful for their time and expertise.

Note: along with this employer-focussed submission, the Health at Work Policy Unit has also provided a separate submission covering the Green paper more widely.

Contents:

What are the key barriers preventing employers of all sizes and sectors recruiting and retaining the talent of disabled people and people with health conditions?

Participants discussed what they thought were the key challenges and barriers in terms of employers doing a better job of supporting employees (both current and future) to be productive and positive at work, regardless of the presence of long-term conditions (LTCs) or disabilities.

It was recognised that, although some employers are active in this space, many are not. This is, in part, due to a lack of knowledge, but also due to other factors, including inadequate internal prioritisation. The difficulty of balancing the need to be a more flexible, supportive employer – in order to get the best out of employees – with the more 'traditional' mind-set around what is required to run a successful and profitable business was also highlighted.

> *"The biggest barrier is reasonable adjustments. Employers don't want to pay for them – they'd rather replace the employee. They don't understand what can be done. For example, with mental health, a line manager's typical response would be: 'I can't help with that, it's too deep for me – I'm not a doctor'."*

Most, if not all, employees will face challenges that affect their work at certain times. Along with those who have LTCs and disabilities which affect their work, there are those with children or other caring responsibilities, relationship issues, those who have debts or housing problems, those who are having trouble sleeping, and so on. **A good employer who wants to get the most out of their employees needs to recognise that these issues can affect all staff and should strive to provide a working environment which allows these challenges to be managed with minimal impact on work**.

The important role of line managers in successfully recruiting and, in particular, retaining employees with LTCs and disabilities was raised as a key issue; the related challenges for managers (or owner/managers) in smaller businesses were also explored. Indeed, there was a view that, in some respects, the challenges faced by all employers are often more acute for smaller employers, who tend to have fewer resources (e.g. line managers, HR, access to occupational health, or indeed time and 'workplace health literacy') to provide sufficient support to employees. It was also suggested that retention and recruitment within SMEs presents a number of different challenges which require some dissection. The key points of this discussion are summarised below.

It is also worth noting, although this was not explored in detail at this event, that the importance of the role of healthcare professionals was highlighted. ***There was a clear call among participants for healthcare professionals to engage with employment as a health and wellbeing issue for patients, and ensure that treatment offered is supportive of their work context, and recognises the positive role 'good' work can have.*** It is well recognised that an employee with LTCs and/or disabilities, even when they have interactions with multiple healthcare professionals, at different levels, may at no stage be asked about their employment status, the type of work they do or their aspiration arounds work.

Line managers

Line managers are both key enablers and key barriers to retaining employees with LTCs and disabilities. There is increasing recognition, supported by a growing evidence base, of the crucial role of line managers in recruitment and retention of employees with LTCs and disabilities. Line managers make the initial employment decision, work directly with and provide support and guidance to the individual, make decisions about the flexibility of their working life and autonomy over tasks, and set targets and manage performance.

In developing policies which place expectations on line managers, we need to clearly recognise what health and work challenges look like from their perspective. Line managers are expected to take considerable (and increasing) responsibility for supporting employees, but they are often not given the time and resources needed to manage their people in the way required. We must consider:

- **Pressure to perform:** line managers have their own performance targets to meet. They are responsible to their managers, as well as to their team. This 'squeeze' may mean in practice that line managers are limited in the time they have to engage in meaningful conversations with team members about their health, and related support. It also means that, during high pressure times, performance targets might be placed ahead of employee needs. Indeed, in the worst case, a line manager may let a seemingly under-performing team member go in order to deflect blame, rather than working with them to find out how to improve their capacity to do their job.

  "If a line manager comes across someone not performing, often, the first priority is removing them or saying 'it's not my fault they can't do the job'. The line manager should be on the side of the employee and understand what they need – and the employer needs to support them with this."

- **Lack of resource and capacity:** where adjustments do require extra resourcing (e.g. if physical adjustments to the workplace or environment are required), line managers may not have the budget to make these changes[1]. Further, they may not have the authority or autonomy to make decisions about flexible working, or make exceptions to sickness absence policies (e.g. where someone with an LTC or disability is adversely affected by the process; particularly important where it links to performance management). Additionally, the time involved in learning about needs and developing support will often fall on line managers, who may already be too stretched to give the time necessary to develop solutions.

  "Often, due to their reluctance to pay for reasonable adjustments and get involved, employers will effectively 'offset' responsibility to the line manager."

- **Poor 'workplace health literacy':** though large organisations will likely have experience within them of supporting employees to manage their LTCs or disabilities, individual managers may not. Similarly, those in very small businesses with few employees may not have any experience of handling workers requiring specific types of support. Line managers, with poor workplace health literacy, simply may not understand what they can do for someone to improve their capacity to work.

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[1] Though Access to Work should provide for this. However, awareness of the scheme remains low among employers and employees.

"In many cases, if you get lower back pain and complain to the line manager they'll say 'get on with it', 'grin and bear it', etc., but that will develop into something more serious."

- **Limited understanding of what form disability can take:** when talking about disability, many people (line managers included) translate this to "wheelchair user". There is a significant lack of knowledge around modern definitions of disability – including those mentioned under the Equality Act 2010 – and, in particular, 'invisible' and fluctuating conditions.

- **Lack of recognition for people management in line manager responsibilities:** people management is not always a core part of a line manager's training, skill-set or even a part of their job description. Promotion to management roles will often be based on technical skills, with managing others considered an after-thought.

"I'm an employer; I work with many large employers. Saying 'management doesn't get it' is an understatement. There is disconnect between people who are focused on growing business and those that manage 'assets' – HR – and they don't talk to each other."

- **Non-disclosure:** employees may conceal their conditions at work for as long as possible (out of concerns around discrimination), making timely interventions impossible. This is especially common with early stage musculoskeletal disorders (MSK) which, if ignored, can easily progress until they become something more serious, often resulting in costly long-term absence. Disclosure is a huge concern for many employees, but also consequently for a line manager (or employer) who wants to help; if management is not aware of an issue, it cannot take any action.

- **Managers and business owners are people too:** We must also recognise that line managers and business owners may also have LTCs and disabilities that affect their work. Tools focussed on 'employees' often do not seem to reflect this; and in particular the positon of the small business owner/manager, whose health may become synonymous with the health of the business.

Retention

Helping people to stay in work – thus preventing job loss – is preferable in most cases. However, efforts to retain people in work face considerable challenges. These include:

- **Costs of providing medical interventions:** health cover is being removed as a taxable benefit, which means that people who are disabled/have LTCs and are working cannot be covered by private health cover as cheaply, meaning many will have to revert to getting help through the NHS, facing longer waiting times, and other issues.

"I'm not a very profitable company but all my employees have [health insurance] cover, which ensures speedy diagnosis, etc., government are effectively disincentivising this now."

It is noted that users of the Fit for Work service can receive a tax exemption of up to £500 a year per employee for medical treatments. In many organisations this is seen as insignificant and not worth the difficulty of applying for it.

- **Good personal relationships are the key to retention:** line managers have to have the will to find solutions; individual relationships will influence this. It is perceived that in large organisations the lack of established, close relationships may mean that people who are not perceived as performing get "managed out" rather than being invested in and supported to work. In smaller organisations there are often stronger interpersonal relationships, which encourage employers to be more flexible.

  "Personal referrals are a huge positive for smaller companies; as an employer, you know the employee's background, what they're capable of, their needs, etc."

- **Greater structural barriers in larger organisations –** *"common sense is often lost to procedure"*: while in smaller organisations it can (though not always) be relatively easy to make small 'one-off' adjustments to the workplace or equipment, in a large organisation there may be further layers. For example, in a large organisation the ability to change to a computer's brightness may rest with a distant IT department, who may need approval to alter computer settings, but in a smaller organisation, unburdened by bureaucracy, the user may be able to do so themselves. **Indeed, less rigidity in smaller organisations means that – despite their size and relative lack of resources –there is in some ways greater scope for flexibility; while in larger organisation, maintaining a rigid 'model' can lead to individual needs within being disregarded (this has been noted in academic research[2]).**

- **HR can be a barrier:** HR departments do not always show a willingness to make changes, and individuals may just been seen as being difficult. Furthermore, some HR departments have a limited understanding of employment law, and, consequently, what they are required to do for their employees.

  There is reportedly low recognition of the advantages of healthy organisational working practices, and the positive implications they can have for not just employee health and wellbeing but also, for example, productivity. HR and line managers alike may not understand what can be done, and, in particular, the many things that can be achieved without incurring significant additional costs**. Gaining all the required information is difficult, and engagement on this topic is low.**

- **There is often a circular belief that retaining people is impossible, which, in turn, discourages efforts to do so.** We need break this cycle and show that the opposite is true. This is true even in organisations that have positive intentions. For example in micro businesses – who, according to empirical evidence and anecdotal evidence, are often better at retention – it is perhaps more the norm for team members to 'chip in' and help each other out when needed, i.e. the lines between different roles may be more blurred. But even in these cases, when people stop believing that the situation will improve, all parties can soon lose the desire to help and the impetus to change things, and, in turn, give up.

  We can break this cycle with information. We need to make sure employers know that retention and rehabilitation is possible, in order to encourage them to take action.

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[2] Idson, T. L. (1990). Establishment size, job satisfaction and the structure of work. *Applied Economics*, 22(8), 1007–1018.

Recruitment

Recruiting those with health conditions presents some different challenges. Though it may be done by the owner/manager or line manager, recruitment might also involve a range of other job roles, such as HR departments or job agencies (including Jobcentre Plus).

- **Physical difficulties represent the greatest challenge:** in terms of recruitment, physical disabilities are seen as having the biggest immediate impact on recruitment. Bias and discrimination, often stemming from fear of not being able to support employees with additional needs, stops employers from hiring disabled people. Applicants with 'invisible' conditions are more likely to *"get through the door"*, but challenges may present later.

  "In terms of recruitment, physical disabilities are the biggest barrier. Employers wrongly assume they will have limited capacity, need significant adjustments. People with conditions they can hide are more likely to be hired."

- **Gaps in employment:** for those with less visible conditions, a barrier to recruitment is that employment agencies (and HR departments) may too easily discard CVs where there are gaps in employment (which are common for those who may have been unable to work for a period of time due to ill health).

- **Two ticks:** the 'two ticks' system (recently rebranded as 'Disability Confident') is poorly understood by employers. Many sign up to the scheme, but do not necessarily see the provisions through – i.e. that you must interview all disabled applicants who meet the minimum criteria for a job vacancy and consider them on their abilities. The lack of any external review until an employer tries to attain level three status undermines the lower levels' credibility (including the 'two ticks' element).

  "I have a client, an organisation that supports people with disabilities, and they have 'two ticks', but no-one there even knows what that means… it's fascinating".

- **Lack of awareness that poor health is already a workplace issue:** often senior managers/directors in organisations are simply not aware of how many people already working in their organisation have LTCs/disabilities, and therefore see recruiting people with such conditions as a challenge and a risk, rather than something which is already (in many cases) being successfully managed in the organisation. There is a persistent assumption that employees with disabilities will cost money.

- **Continued focus on the disability, rather than the skills:** there is still an overt focus in recruitment on the disability, rather than the ability – the skills and experience – of the applicant. Despite government rhetoric, this is nowhere more true than in Jobcentre Plus. The quality of support provided is often poor, as is their knowledge is how to promote applicants to potential employers.

  "They bill it as 'we have disabled people who need jobs' instead of 'we have someone who is a good fit for your role'. Most employers just want someone to do the job."

  Jobcentre Plus is failing to respond to the widespread call to focus on ability, not disability. Staff need to be better trained not only to understand the health context and support needs, but also to act as recruitment consultants and sell their clients

What expectations should there be on employers to recruit or retain disabled people and people with health conditions, and what measures would support you to do so?

Attendees felt that, whilst they recognised the above barriers and challenges, there was substantial scope for employers to do more and that policy should and could be effectively directed at encouraging these actions. However, it was clarified that this was a two-way street, and there were some things that employees might also be expected to do in order to progress this agenda.

More employers and employees need to take a wider view of disability and what it means. We need to move away from people thinking of their employee, or themselves, as a *condition*, but as someone who, with the right support, can do the job. We need to look at where the challenges are, and take a positive and creative approach to addressing them, i.e. a strengths/assets-based approach, which has been shown to be effective[3].

Expectations on employers

In order to create a supportive culture in the workplace, and make use of resources and tools that help people to stay in work, employers should be expected to:

- **Offer access to occupational health advice:** Whilst it was recognised that occupational health services can have an important role in retention, particularly in larger organisations, there was concern about expectations on all employers to provide occupational health support to staff, with this often unrealistic for smaller employers. Where there is demand for providing this support, businesses can respond with innovative solutions which suit their needs. Pooling resources between employers could be a solution, but this was not perceived as realistic. Therefore, government should do what it can to support the development of such solutions and address any barriers to their development, and take a role in sharing good practice where it is identified.

  "Larger employers tend not to care about the smaller ones in their supply chains and so sharing resources, although it sounds good, might not work in practice."

- **Reflect importance of employee health in policies:** all employers should create and implement a set of policies to support people with LTCs and disabilities, and to promote a culture of disability awareness. Prevention and early intervention should be a key part of this.

  "Employers don't understand how much hassle and money they could save – while retaining their staff – by addressing and dealing with problems early and effectively."

- **Make tools and resources available:** many tools and resources designed to support employees' health already exist and can be provided to staff at no extra cost. There are also support services, such as Access to Work, as well as a variety of NHS services (such as IAPT) which can be hugely valuable. Further, providing more direct access to counselling services can provide an extra dimension of support, even where widespread disability is not recognised in the workforce, i.e. despite relatively low numbers of employees reporting disability, and many people not identifying as disabled (despite

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[3] Foot, J., & Hopkins, T. (2010). *A glass half-full: how an asset approach can improve community health and well-being*. London: Improvement and Development Agency.

activity limitation), employees will still use counselling if they think they are "stressed", and this can bring benefits.

"It's quite simple really: if employers make tools available employees will use them."

In particular, it was suggested that there are many cases where employees apply for support through Access to Work, only for their employers to block this, claiming they are already making their own provisions, but then failing to do so. It seems that many employers do not understand how Access to Work works, and the benefits this support can bring for the organisation and the individuals.

- **Upskill and educate themselves on employee health:** the ability of a workforce to work is the business' concern. It needs to be recognised by managers and employers, that there are many benefits to be had from understanding that employees may have one or several health and wellbeing issues, and that they – as employers – are in a position to affect them both positively and negatively. Employee health is a personal responsibility, and line managers in particular should make an effort to access information to improve their understanding, i.e. their 'workplace health literacy'. This effort should include training staff involved in recruitment to better understand and avoid unconscious bias.

  "The issues involved aren't necessarily that complex. If we send a signal that it's really specialist, it's really complicated – that will put people off. People need to be educated that having a disability doesn't mean you can't do a good job to a high standard."

- **Take legal duties seriously and adhere to the law:** this is a minimum expectation, but many people still experience illegal discrimination on health grounds. There are increasing numbers of tribunals brought by disabled workers being upheld, and this is a trend that will (and should) continue without employers improving their understanding.

- **Managers and owners as role models:** managers and business owners may also have LTCs and disabilities which they manage as well their teams and businesses. By being open about their health, and their success at managing it, it might encourage others to speak up about their health, and explore support for themselves.

Expectations of employees

It was suggested that developing effective strategies to improve recruitment and retention of people living with LTCs and disabilities was a *"two-way street",* with employees also needing to contribute. In particular, employees need to be encouraged and empowered to understand their rights, to self-manage, and to seek support in work to allow them to self-manage at work and in general to positively identify what they need to allow them to do their job better.

"If a person is in work with a disability and they know what would help them they should ask for it… but often people with a 'disability' do not consider themselves as such, so it's difficult."

Some key 'expectations' for employees were to:

- **Keep motivated:** it may sound obvious but people need to want to work, to work well. At the pre-employment stage this means being work-ready, e.g. ensuring that you are practised at keeping to a schedule (i.e. being 'conditioned' for work).

- **Ask for what they need:** take steps to inform themselves, and speak up and ask for changes.

- **Learn about their rights and responsibilities:** utilise online resources provided by impartial expert organisations, e.g. Acas.

- **Understand the broader definition of disability:** people may not see their health condition as a disability, and consequently not feel it is appropriate to access support. We need to update our understanding of what disability at work means.

Informing and engaging employers

An important challenge is making sure that the **right information is available to those who need or would benefit from it, at the right time.** This is not only about making sure a high-quality, accessible information source is available, but also that it speaks to the range of stakeholders who would be expected to use it, and that they know it is there, and for them.

A case in point is Access to Work, which remains a well-kept secret. The messages are simply not being communicated widely enough, and employers (and employees) may not understand what help the scheme offers. Awareness of the Fit For Work Service is also seemingly low, though it has been recognised (as noted above) that there are also barriers to use even for those who do know of it.

Participants felt that the information currently given by Government is not easily or obviously available; there is a lot of information, but it is too diffused in delivery with no clear pathways, and awareness of existing support is low.

Government needs to make a concerted effort to push messaging and information. It was suggested that this might be in the form of a high profile campaign, with the pensions auto-enrolment campaign (fronted by 'Workie') highlighted as an example.

It must be recognised that decision-makers have very limited time to look for information – so both the location of information, and the way it is presented is very important. Suggestions for improving information included:

- **Language used should reflect the reality of employers:** Too much Government literature speaks about "your HR department, your Occupational Health" which does not reflect reality of many workplaces. Smaller organisations in particular may dismiss it – this adds to the feeling that the health at work conversation is 'not for them'.

- **Focus on the costs:** The business case argument is a strong one. If employers knew about the costs of ill health in their workforce (i.e. how much money they save by minimising people going off sick through providing better support) they would be more likely to make timely interventions. Information should focus on this point; employers and employees need to be more aware of the costs of inaction – both financial and personal. A particular focus of this should be on increasing awareness of the cost of early

retirement and recruitment/replacing staff, i.e. high staff turnover, versus rehabilitation and retention.

- **Learn from other models:** Auto-enrolment of pensions has set an interesting precedent which we might want to reflect on for health and work. If we truly believe that employee health is important for society and that employers need to do more to support efforts to improve outcomes, then a system of 'auto-enrolment' for providing health support might be worth exploring.

- **Be positive:** Information should be presented positively. It is important to address prejudice and misinformation head on and make it clear that it is actually easy to hire a disabled person. If signals are sent that this requires specialist support, or that it is complicated, it will put people off. This needs to be reflected in the way Access to Work is offered as well – support packages need to be ready-to-go so that the newly recruited employee can assure employers that disruption will be minimal.

- **Provide real-life examples and practical resources:** case studies are highly valued by employers, as they can see how they would fit in their situations and context, and be secure in the knowledge that this is achievable.

- **Utilise existing business communication pathways:** Finding the right means to raise awareness among employers on interventions and support is challenging (as shown by the Fit For Work service). We need to better exploit the channels that are open to us. For example, making links through existing processes such as mail outs from HMRC, or through trade associations; the focus of which is more often on pay and conditions, upskilling, or more traditional health and safety.

Young people and education

Participants also raised the important role of education in making sure the next generation of employees with LTCs and disabilities are able to succeed in the labour market. **There is a disconnect between education and employers** – young people who may get packages of care and support when children, will often find it abruptly stops when they become young adults and seek entry to the labour market.

> *"Every year around 100,000 kids come out of school with needs and they've no chance of finding a job – where is employment advice for disabled kids in schools? There isn't any…"*

The Department of Education should play a significantly bigger role in work, health and disability policy-making than we currently see.

Employers were clear that focussing employment support on people with LTCs and disabilities of working age often means the support will come too late; by this time their confidence will likely already be knocked, and their aspirations regarding work lowered. **In order to improve address the disability employment gap, we must intervene much earlier in the life course – employment disadvantages are cemented during someone's education.**

- **Life course effect:** Poor handling of disability when young sets people up for a life of low confidence. In contrast, if health needs are fully assisted in education, this improves

awareness of the individual's capacity and capability, empowers them to understand what support they need to do well, helps teachers and parents learn also, and ultimately improves the life chances of pupils.

- **Careers advice is of low quality** and is particularly poor for those with disabilities and LTCs. Similarly opportunities to take part in work experience are more limited – especially if adjustments would be required. There needs to be a better understanding of an individual's needs and abilities, so these can be better matched with opportunities.

"Education does not give children the tools they need to live fullest lives possible"

- **Changing cultures around ability is often easier to achieve at a younger age:** we should take advantage of this opportunity to its fullest.

This submission outlines many of the key challenges facing businesses and employees regarding hiring and retaining people with disabilities or long term conditions. For a response to the other elements of the consultation, please see the Work Foundation's general submission to the consultation.

We would like to thank those employers who participated in our workshop, and are grateful for their time and expertise.

For more information contact info@theworkfoundation.com

or visit our website: www.theworkfoundation.com