



Briefing Note: How can labour market information on disability be improved?

Professors Melanie Jones, Vicki Wass, Nick Bacon and Kim Hoque, August 2018

1) Introduction

The employment gap associated with disability is greater than that for other protected groups. This implies that disabled people are an important under-utilised resource in the context of skills and labour shortages. Yet we know less about the presence and impact of disability in the workplace and in the labour market than we do about race and gender.

This information deficit might be corrected in three ways:

- i. A disability disparity audit, along the lines of the race disparity audit (<https://www.gov.uk/government/publications/race-disparity-audit>).
- ii. An expert review of disability at work similar to that undertaken in the McGregor-Smith Review *Race in the Workplace* (<https://www.gov.uk/government/publications/race-in-the-workplace-the-mcgregor-smith-review>).
- iii. Statutory reporting of the representation of disabled people at organisational level in a similar manner to gender pay gap reporting (<https://gender-pay-gap.service.gov.uk/Viewing/search-results>).

All three of these approaches have received all-party support, and have helped focus the attention of policymakers on the labour market disadvantage experienced by protected groups, and on how to overcome this disadvantage.

Each of these approaches relies on the use of high quality measures that are accurate, consistent and transparent. However, measuring disability is more difficult than measuring race or gender. This briefing note provides advice, informed by the best available evidence, on how to measure disability and disability-related gaps in work-related outcomes.

The first port of call for best practice in measuring and tracking the prevalence and impact of disability in the labour market is Government measures of disability in national surveys such as the Labour Force Survey (LFS).

By contrast, reporting at the firm or organisational level is currently sparse, and the little data collected is generally inconsistent both with other organisational reporting and with official aggregate statistics. Evidence from the government's Workplace Employment Relations Survey 2011 shows that recruitment, progression and pay are monitored in relation to disability in only about 10 per cent of workplaces. Organisational-level reporting was a key recommendation of both the McGregor-Smith Review and the Government's *Improving Lives* Command Paper. Gender pay gap reporting provides an example of how an efficient approach to organisational reporting might be implemented, where compliance is statutory and tightly prescribed so that measures are consistent and comparable.

2. National Statistics on disability

Nationally representative data on disability are collected via large-scale surveys (the LFS and the Census, for example), where disability is self-reported and is often collected according to definitions aligned to legislation (for example, a long-standing activity-limiting condition). National statistics are published by the ONS on the percentage of the working age population who report disability, and on selected indicators relating to government targets around employment numbers/rates, or the disability employment gap (the percentage point difference between non-disabled and disabled employment rates), for example.

From 2013, the questions used to identify activity-limiting disability aligned to the Equality Act definition of disability in the LFS are as follows:

Q1. *Do you have any physical or mental health conditions or illnesses lasting or expecting to last 12 months or more?*
Yes, No, Don't know.

If Yes:

Q2. *Does your condition or illness reduce your ability to carry out day-to-day activities?*
Yes, a little; Yes, a lot; and Not at all.

Disability is defined as *Yes* (Q1), followed by *Yes, a little* or *Yes, a lot* (Q2). The LFS disability definition captures a standard definition of disability aligned to legislation, without specific reference to disability. As such, it does not require an individual to know or openly recognise themselves as disabled. The LFS is also the largest household survey in the UK, resulting in a wide range of reliable published statistics to facilitate comparisons.ⁱ

While at the top end of the quality range, National Statistics on disability are not without measurement issues.ⁱⁱ Some of the most serious of these include:

- i. Global, self-reported disability measures (as used in the LFS) can lead to bias given their subjective nature. For example, they can be subject to bias by employment status, with individuals being more likely to report themselves as disabled when they are not employed (so-called 'justification bias'). Given this, such measures may overstate the relationship between non-employment and disability. The bias stemming from the influence of social, economic and institutional context is perhaps most evident in international comparisons of the proportion of the population who report disability (see, for example, Jones, 2016).
- ii. Broad measures of disability (as used in the LFS) are generally associated with lower employment gaps than narrow measures (measures of the number of people registered as blind or partially sighted, for example) since the latter tend to only include individuals with more severe limitations (see Fevre *et al.*, 2016).
- iii. Broad measures of disability can provide biased assessments of change over time. As legislation or legal interpretation broadens the public interpretation of disability, or as awareness or social acceptability of disability increases, the same question may be interpreted differently at different time points. This could lead to an increase over time in the proportion of people reporting themselves as disabled, even if objective ill health or impairment in the population does not change. It could also lead to a larger proportion of those reporting themselves as disabled having less severe restrictions. As such, disability-related gaps (in employment and pay for example) will appear to narrow even if there is no change in the labour market position of individual disabled people. This makes disability statistics difficult to interpret over time.

- iv. Discontinuities have been created over time as a result of changes in the definition of disability with the surveys. This makes it hard to analyse trends and assess achievement relative to targets. The LFS has been subject to several changes in the questions relating to disability (largely to capture changes in the legislation), without sufficient consideration of the impact on monitoring trends. A consultation is currently underway on changing the Census question. *Our advice with regard to this is that the continuity of questions within surveys (to facilitate the analysis of long-term trends) is more important than the potential benefits of the proposed refinement to the questions.*
- v. Inconsistencies in trends in disability statistics between surveys can undermine confidence in the figures. Baumberg *et al.* (2015) show that the trends in the LFS (i.e. a narrowing of the disability employment gap) are not evident in several other surveys, including the General Household Survey (GHS) and the Health Survey for England (HSE), even after controlling for the key differences between the surveys. In the LFS the narrowing disability employment gap occurs at the same time as increasing disability prevalence. The latter is not observed in other surveys.ⁱⁱⁱ *Our advice would be to consider the robustness of any evidence by cross-checking statistics across different surveys.*

The key lessons from national surveys are therefore as follows:

- Within surveys, keep the precise questions used to identify disability constant over time to ensure continuity of information.
- Compare disability prevalence across surveys to understand better how different questions used to identify disability produce differing estimates of disability prevalence, and compare the results of different surveys before reaching conclusions regarding the robustness of trends.
- Include questions in surveys about the individual's specific functional limitations (visual impairment etc.), given that such questions provide a potentially more objective and stable measure of disability than globally, self-reported disability measures as currently used in the LFS.^{iv}

3. Government targets on increasing employment for disabled people

The former government target to halve the disability employment gap (the percentage point difference in the employment rate between non-disabled and disabled people) was a positive commitment. However, it was undermined by a lack of feasibility in the timescale proposed (the 2015 Conservative manifesto set a deadline of 2020). Our analysis of pre-existing trends in the LFS suggests a 30-year timescale would have been a more feasible projection.

The recent change in the target to an absolute increase in the number of disabled people in employment (of 1 million) represents a very significant policy shift. It is projected that this new target will be met without any new initiatives in policy or practice by 2027 simply because disability prevalence is growing and overall employment rates are increasing (see Wass and Jones, 2017). At the same time, however, the disability employment gap will narrow only marginally. *The disability employment gap measure is the more appropriate indicator of progress on inclusion because it measures the relative disadvantage experienced by disabled people.*

Beyond this, the focus of government policy on the number of disabled people in work is arguably too narrow (see Fevre *et al.*, 2016) as it neglects the important issue of disabled people's job quality. Disabled employees have been found to experience a pay gap (Jones *et al.*, 2006), an hours gap (Jones, 2007), and a gap in work-related well-being (e.g. in terms of job satisfaction) (Jones, 2016). These are important outcomes in their own right but will also have important implications for the recruitment and retention of disabled employees.^v *We would therefore recommend the government measures a basket of indicators, including not*

only the disability employment gap but also gaps in job quality, such as earnings and well-being at work.

4. Organisational disability data collection and reporting

The Workplace Employment Relations Survey (WERS) (2004 and 2011) is the only nationally representative information on the distribution of disabled employees across workplaces. Data from WERS highlights the importance of employee versus manager reporting with the latter underestimating dramatically disability prevalence among employees within the workplace (see Jones and Latreille, 2010). This may be because employers do not collect information, or because individuals are reluctant to disclose their disability to management for fear of prejudice.

Where disability is recorded by employers within human resource monitoring, employers typically fail to adopt a recognised definition of disability (e.g. aligned to the Labour Force Survey), so the information collected is often not comparable across firms. In addition, it is often collected via job applications and so is typically out of date (given that it will not capture instances of people becoming disabled once in employment). Unlike other equality characteristics, disability status is dynamic and data on it needs to be collected regularly. Further, the response rate is often extremely low which means the information is unlikely to be representative of all staff. Both inconsistency and obsolescence therefore limit the value of the data available.

We would strongly recommend that *the government encourages organisations to monitor disability prevalence among their workforce* (see Fevre *et al.*, 2016) and to *adopt measures based on those used at national level, aligned for example to the definition used in the Labour Force Survey*. This would facilitate adoption of the good practice pursued within national surveys, and importantly, would facilitate comparisons across organisations and with national and sectoral trends. With more accurate information on disability prevalence, employers would be better placed to support disabled individuals in line with their obligations concerning reasonable adjustments under the Equality Act. *Employers should also be encouraged to measure disability gaps in outcomes such as pay, well-being and job satisfaction (in a similar manner to gender pay gap reporting)*. This is often best achieved by using a combination of administrative records and anonymous staff surveys. These measures can then be used to identify differences between organisations, and can be tracked across time to identify trends and identify the impact of changes in employer practice or legislative requirements, for example.

Key to ensuring the production of robust data at organisational level is that disabled people's fears concerning disclosure are addressed (even within anonymous surveys). There are a number of ways in which employers might develop the trust necessary to promote disclosure:

- i. Providing assurances and guarantees that the data will be treated entirely anonymously (via the use of external organisations to collect and analyse the data, for example).
- ii. Clearly explaining the purpose of the data collection to employees. For example, the Driver and Vehicle Licensing Agency has reported the importance of internal campaigns to increase understanding of the uses of diversity data and the importance of accurate data.
- iii. Emphasising to employees the responsibilities of the employer when disability is disclosed, such as in terms of reasonable accommodations under the Equality Act.

- iv. Firms have highlighted the role of mentoring and sponsorship for disabled employees, and working with employee disability networks to allay disabled people's fears surrounding disclosure

To read more about our research in this area, access our journal articles, and find accessible summaries of our research, go to www.disabilityatwork.co.uk

References:

Baumberg B., Jones M., and Wass, V. (2015) Disability and disability-related employment gaps in the UK 1998-2012: Different trends in different surveys? *Social Science and Medicine*, <http://www.sciencedirect.com/science/article/pii/S0277953615300289>.

Fevre, R., Foster, D., Jones, M. and Wass, V. (2016). Closing disability gaps at work: deficits in evidence and variations in experience. Cardiff University. <https://orca.cf.ac.uk/96511/1/CLOSING%20DISABILITY%20GAPS%20AT%20WORK%20Ralph%20Fevre%20et%20al.pdf> [Section 2 (from page 9-15 in particular)].

Jones, M., Latreille, P. and Sloane, P. (2006) Disability, gender and the British labour market, *Oxford Economic Papers*, 58(3), p407-459.

Jones, M. (2007) Does part-time employment provide a way of accommodating a disability? *The Manchester School*, 75(6), p695-716.

Jones, M. and Latreille, P. (2010) Disability and earnings: are firm characteristics important?, *Economics Letters*, 106(3), p191-194.

Jones, M. (2016) Disability and perceptions of work and management *British Journal of Industrial Relations*, 54(1), p. 83-113.

Jones, M. (2016) Disability and labour market outcomes, IZA World of Labour, April 2016. DOI: 10.15185/izawol.253. Available at: <http://wol.iza.org/articles/disability-and-labor-market-outcomes>

Schur, L., Kruse, D., Blasi, J and Blanck, P. (2009) Is disability disabling in all workplaces? Workplace disparities and corporate culture, *Industrial Relations*, 48(3), 381-410.

Wass, V. and Jones, M. (2017) A Tale of Two Commitments: Tracking Progress on Disability and Employment. <http://www.disabilityatwork.co.uk/wp-content/uploads/2017/12/chargetargetsvwmj.pdf>

ⁱ The following alternative incorporates the harmonised standard as a single question. *Are your day-to-day activities limited because of a health problem, illness or impairment which has lasted, or is expected to last, at least 12 months?'. Yes, limited a little, Yes, limited a lot, No.*

ⁱⁱ Many of these issues on government statistics and targets are discussed in [Baumberg B, Jones M, and V Wass \(2015\)](#) written evidence to the Work and Pensions Committee Inquiry.

ⁱⁱⁱ This is true even after accounting for observable differences in the sample composition of the surveys, the coverage of the surveys and survey methods. As such, the differences cannot be easily explained, but could arise, despite all three surveys using an activity-limiting definition of disability, due to differences in the precise questions used to identify disability.

^{iv} A good example of standard questions used to identify functional limitations is provided by the Washington Group Short set of questions see: <http://www.washingtongroup-disability.com/washington-group-question-sets/short-set-of-disability-questions/>

^v See footnote ii above.