

Unlock the competitive advantage of a disability-inclusive workforce

How leaders can elevate their businesses with inclusive hiring and empowering an under-represented talent pool



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Executive summary

The benefits of inclusive hiring have long been cited extensively but frequently from a western-centric perspective. To better understand the benefits in our local context, SG Enable commissioned Heidrick & Struggles to assess perceptions of organisational performance and culture among employees at 30 companies, who are disability-inclusive employers in Singapore. As part of the research, we interviewed representatives at 10 of those companies to explore how disability inclusion positively impacts their culture and organisational performance. Whilst the sample size for this study is small, this important study is the first in Singapore to involve organisations from a range of sectors, varying sizes and with differing degrees of disability inclusiveness to examine the business case for disability-inclusive employment in a market where competition for talent is especially intense.

Almost every organisation cites diversity as a top priority,¹ but there is still a lot of progress to make. A previous Heidrick & Struggles study² of 412 companies across 8 countries showed that only 27% of global leaders reported that their company was largely inclusive. In the Asia-Pacific region, the definition of diversity generally tends to be limited to gender, occasionally extending to race, religion and ethnicity. Inclusion for persons with disabilities is often overlooked. A stigma against hiring these individuals and a lack of awareness of the potential benefits or ways to enable their success remain top barriers. Across Asia-Pacific, persons with disabilities are between two and six times less likely to find employment.³

Given that the disability-inclusive hiring landscape in Singapore has become more mature with greater employer awareness and accreditation with the Enabling Mark, it was timely to examine the business case for greater diversity in hiring, especially in employing persons with disabilities.

We found that companies that are at a more mature stage of adopting disability-inclusive practices are also perceived by their employees to have a stronger culture and organisational performance across a range of factors. Similarly, individuals in our study who work closely with persons with disabilities perceived their company culture and performance significantly more positively than individuals who do not. This suggests that there are benefits that companies can unlock by adopting more inclusive practices.

When it comes to purpose, respondents indicated that organisations that are committed to disability-inclusive employment generally tend to be clearer on their business objectives. They understand how the policy fits with their wider goals, and convey it unequivocally to their staff. Employees at such workplaces are subsequently more likely to feel a shared sense of purpose with their employer.

Such inclusive practices also promote learning and innovation. The study found employees in disability-inclusive organisations rated them as open to change and felt that a diverse team was conducive to original and creative thinking.

Disability-inclusive employment provides an impetus for efficiency and the adoption of digital tools to remove workplace barriers. Simplified internal processes showed the added benefit of promoting more customer-centric thinking, with a clearer breakdown of products and services, and in some cases, product development.

Together, these findings highlight the need for every organisation to give more attention to disability inclusion and make it part of their business agenda. The motivation of contributing to society and tapping an underutilised workforce is a good starting point. However, a sustained practice of inclusion depends on understanding, articulating and maximising the business value that persons with disabilities can offer both directly and indirectly to their company.

Elevating the discussion from surface-level benefits to a business performance and deeper cultural impact can help leaders drive this change. In Singapore specifically, organisations are increasingly recognising that disability-inclusive employment has positive implications for all aspects of their business. The mindset is shifting from fulfilling a corporate social responsibility (CSR) obligation to seizing an opportunity to offset the talent shortage and even support business and cultural transformation.

By highlighting these untapped benefits, we hope to elevate the conversation and accelerate the adoption of these inclusive practices that drive both business performance and an increasingly inclusive society.

¹ HR Magazine: Diversity and inclusion remains CEO's top priority in pandemic – yet employees feel unsupported.

² Heidrick & Struggles: Meeting the inclusion imperative: How leaders can link diversity, inclusion, and accelerated performance 2020

³ UN ESCAP: Employment of Persons with Disabilities in Asia and the Pacific: Trends, Strategies and Policy Recommendations

“ Hiring persons with disabilities enhances the positive culture in the organisation which supports the engagement and retention of our colleagues. We have a sense of pride working for an organisation that hires inclusively.”

- Ms Jennifer Tan, Director of Talent and Culture, Raffles Hotel Singapore



Traditional motivations

Broadly speaking, companies in Singapore have two common motivations for hiring persons with disabilities.

1. Corporate social responsibility

The most common motivation is around ‘giving back’ to the community and fits into a larger narrative of CSR. There are immediate tangible benefits for both persons with disabilities and organisations. They include:



Giving persons with disabilities the opportunity to contribute more directly to society and become more self-sufficient



Helping persons with disabilities to build a sense of identity, purpose and social connectedness

While CSR has its place in enabling persons with disabilities – particularly those with higher support needs – it may undervalue the potential contribution of persons with disabilities to the greater business outcomes.

2. Supplementing labour shortages

Singapore's talent war remains intense due to the shortage of labour in the market across the various sectors. This is further aggravated by the COVID-19 pandemic and tightening of border restrictions. There are predictions that we could potentially see the highly skilled worker deficit hit 1.1 million by 2030.⁴ In view of this, companies are looking at alternative sources to bridge the labour gap and hiring persons with disabilities is a viable way to do so. There are 32,000 working-age (15 to 64) persons with disabilities in Singapore, with an average employment rate of 29%.⁵

At the same time, the impact of the pandemic reduced the number of persons with disabilities in sectors that traditionally hire them, such as F&B and hospitality. With more persons with disabilities in the job market, organisations in growth sectors such as logistics, IT and healthcare have greater access to a wider talent pool. Technological advances in combining AI and robotics are also expanding employment possibilities for persons with disabilities in manufacturing and service.⁶ Businesses across sectors that have tapped this talent pool widely report that it has made a positive addition to the workforce.⁷

**Hiring numbers indicate that these disability-inclusive policies have momentum.
According to government figures,**



⁴ Hrtech.sg: Overcoming Singapore's Talent Shortage: A Look at Top Talent Hubs

⁵ CNA: IN FOCUS: More firms open to hiring workers, interns with disabilities

⁶ UN ESCAP: Employment of Persons with Disabilities in Asia and the Pacific: Trends, Strategies and Policy Recommendations

⁷ The Straits Times: More companies in S'pore training and hiring people with disabilities (22 Nov 2021)

⁸ Ministry of Social and Family Development: Progress under the Third Enabling Masterplan (2017-2021)



As Singapore rebounds from COVID-19, hiring and upskilling local talent is a priority. In Singapore, around 11% of persons with disabilities in the labour force remain unemployed. Industries such as healthcare and IT are expected to grow exponentially: the former due to an ageing population and medical tourism, and the latter due to government focus on tech hub expansion. These and other growth sectors will need to hire extensively, and drawing on persons with disabilities can help bridge the talent gap, spur more efficient processes internally and lead to more diverse and inclusive products and services for their stakeholders.

Whilst looking to persons with disabilities to supplement the workforce during a talent shortage is a valid strategy, it positions them as a secondary supplement to the current workforce. Instead, employers can focus on the added capability and value that these individuals bring. In addition, our study shows that including persons with disabilities in your workforce can in fact catalyse greater success by supporting the creation of a stronger organisational culture. As such we believe there is an opportunity to shift this mindset to create a stronger business case for hiring persons with disabilities.

Untapped benefits from adopting disability-inclusive employment practices

Chart 1: The significant positive correlation between employee perceptions of culture / organisational performance and disability-inclusive employment practices across 27 organisations. A higher number indicates more positive organisational performance and disability-inclusive employment practices.

N= 27; R=0.54; P= 0.005

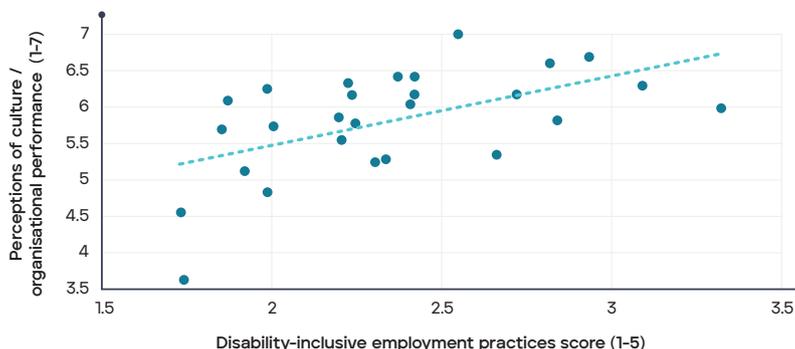
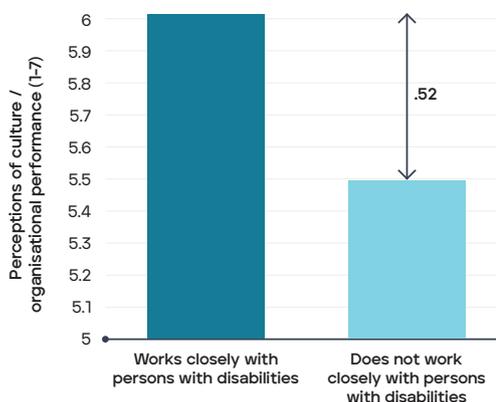


Chart 2: The significant mean difference in employee perceptions of culture / organisational performance between those who work closely with persons with disabilities and those who do not. A higher number indicates more positive organisational performance.

N= 133; Mean difference = 0.52; P= 0.02



Our study engaged a total of 30 companies from various sectors and of different sizes. Among the 30 companies, 27 of them participated in the Organisational Accelerator Questionnaire¹⁰ and contributed to the quantitative findings presented in charts 1 and 2. Ten of the 30 companies provided inputs through a structured interview.

Our study measured employees’ perceptions on their organisation’s culture and performance across a range of factors. These factors were initially derived from previous studies into the capabilities that drive sustained financial growth in high-performing FT500 organisations. We looked at the scores from each of the 27 companies across all these factors and compared them against an independent measure of their disability-inclusive practices.¹¹ We also investigated the relationship between the scores across these factors and whether individual scorers worked closely, in terms of proximity at work, with persons with disabilities.

Overall, this study shows a significant positive correlation between disability-inclusive employment practices and perceptions on a range of organisational culture and performance factors (see Chart 1). We also identified a significant positive difference on a range of factors for individuals who work closely with persons with disabilities (see Chart 2).

Through the qualitative interviews, we sought to better understand the direction of these correlations and the potential linkages between having a more disability-inclusive and diverse workforce and the outcome of improved perceptions of culture and performance. For simplicity, we grouped the significantly correlated factors into four key benefits. In the next section, we explore these relationships and the potential mechanisms.

¹⁰ Heidrick & Struggles’ research on accelerating performance. Refer to section on About Our Research for more details on the research.

¹¹ The Enabling Mark is a national-level accreditation framework by SG Enable that benchmarks and recognises organisations for their best practices and outcomes in disability-inclusive practices. Refer to section on About the Enabling Mark for more details.

Key benefit 1: Purpose-driven employees

We found a significant positive relationship between (i) adopting more effective disability-inclusive employment practices and (ii) employees taking greater pride in working for their company and perceiving its leadership as being more purpose-driven. They also felt the organisation had a clearer and more relatable strategic focus and outcome, and rated that they were more likely to stay with the organisation or recommend it as a place to work.

In the conversations with study participants, we found that when employees who believe in the benefits of inclusion see it in practice in their organisation, it reinforces the feeling that their personal purpose is aligned with that of the organisation. It enhances their sense of the organisation taking social responsibility and caring about the welfare of all people. Even when such inclusive practices are firmly rooted in business objectives, the sense of purpose that leaders convey by implementing it can act as a catalyst for CSR activities in other areas.

We have learnt that that the decision to hire persons with disabilities does not always start at the top of an organisation. Initiatives that happen at the grassroots level can often create impact to the extent that more senior leaders take note. As a result, they are inspired to do more and share their learnings.

Previous research by Heidrick & Struggles has found that 73% of employees who say they work at a purpose-driven company feel engaged, compared with just 23% of those who do not. When employees are genuinely engaged with their work, it also drives retention; our study identified that employees who work closely with persons with disabilities were significantly more likely to show intention of staying with their company for the next 12 months.

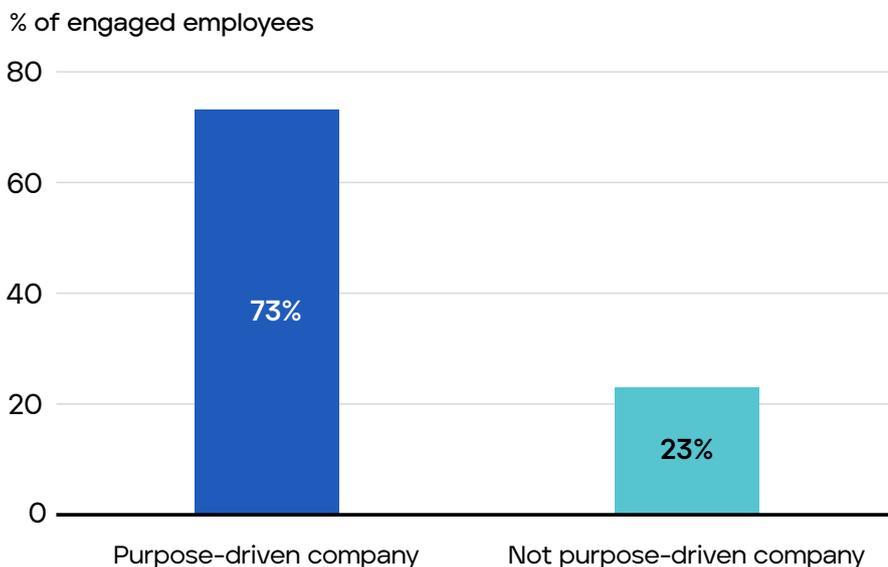
**On average,
organisations with more
disability-inclusive
employment practices score**

6% higher

on clarity of direction

9% higher

on purposeful leadership



Key benefit 2: Innovative and learning culture

In our study, organisations that engage in more effective disability-inclusive employment practices had employees who were significantly more likely to rate their company as being open to change and learning, to demonstrate trust in its employees, value their work-life balance, and value and reward their strengths and performance. There was also a more significant perception of a coaching and teamwork-driven culture. Those individuals who worked closely with persons with disabilities were also significantly more positive about the flexibility, responsiveness and adaptability of the organisation. They saw greater collaboration and a significantly more innovative culture where there was a safe space for ideas to be shared, tested and rapidly translated into action.

Integrating a typically marginalised group can help convey a wider sense of inclusiveness and belonging to all employees, and among leaders which can be applied more widely across the whole workforce. We learnt from conversations with the leaders that after integrating persons with disabilities, employees have shown a higher level of empathy not just towards the new hires, but their entire team. This in turn fostered a more understanding work environment across the organisation. Managers also shared that they adopted more of a coaching and mentoring approach that they extended to the rest of their teams. As this behaviour spreads, it has positive implications for trust, support and collaboration across the organisation.

A more inclusive culture helps to drive innovation. A safe space, where employees are encouraged to speak up and are valued for their unique contributions, creates greater ideation and freer, innovative thinking. A diverse team structure fosters creativity due to the ability to integrate different ways of thinking. The active presence of persons with disabilities in an organisation encourages a culture where all perspectives are heard and crucially helps avoid groupthink, which is a barrier to innovation.

"My organisation, Michael Page, partners with SG Enable to conduct disability awareness training for employees and is continuously looking for ways to improve each person's understanding about disability inclusion. Not only does this create a more conducive environment for the diverse team, it also fosters a learning culture in the organisation, which is especially important in our industry. This has a knock-on effect on equipping our teams to be more inclusive and adaptable in our client engagements."

- Alister Ong, Diversity, Equity & Inclusion Client Solutions Manager, Michael Page & Goh Chok Tong Enable Awards 2020 Recipient

**On average,
organisations with more
disability-inclusive
employment practices score**

9% higher

on learning & growth

**Employees that work
closely with persons with
disabilities score their
organisation**

9% higher

on diversity, inclusion, belonging

9% higher

on innovation

Key benefit 3: Simpler, digitally-enabled processes

Most companies have inefficiencies, but they do not always feel the pressure to address them. Our research showed that employees in organisations who adapt to become more inclusive are significantly more likely to view their work processes as efficient. Meanwhile, those who work directly with persons with disabilities believe that the business' structure and decision-making process were more simplified.

Our interviews revealed that integrating persons with disabilities into the workforce provides an impetus for an organisation to simplify its systems and digitalise them where appropriate. To ensure that all persons with disabilities can work productively from the outset, companies look for ways to refine messaging and internal processes, ensuring they are easy to understand and follow. One organisation had shared that it made significant efforts to create clearer instructions by illustrating process steps with persons with disabilities in mind, which ultimately benefitted all employees.

Some companies also adopted digital tools specially to ensure new staff members are able to work effectively and without logistical challenges. These tools include assistive technology such as speech recognition software, screen readers and electronic braille notetakers, as well as accessibility features from companies such as Apple and Microsoft.

While these solutions have a more specialised application, solving these kinds of challenges encourages employees to be more adaptable and digitally ready as they consider new ways to use technology and improve work processes across the organisation. The upshot of these measures is better productivity.

We also saw a significant relationship between employees who work closely with persons with disabilities and more positive perception of digital capabilities in the business leadership, implying that the leaders in these departments are more digitally ready and better equipped to enable broader digital success.

On average, organisations with more disability-inclusive employment practices score

8% higher

on digital readiness

Employees that work closely with persons with disabilities score their organisation

12% higher

on adaptability



Key benefit 4: Customer-centric thinking

Lastly, we saw a significant positive relationship between these inclusive practices and levels of customer focus in the organisation, especially so for employees who worked more closely with persons with disabilities.

Previous research¹² has shown having a workforce that is more diverse and representative of an organisation's customer base has significant outcomes on the end-customer experience. This comes from directly representing the views of minority groups within the organisation, but also indirectly from creating a more empathetic workforce with greater awareness and appreciation of individual, cultural differences. Organisations that adopt disability-inclusive employment practices can gain greater insights into the products and services that will resonate with customer segments that they may previously have overlooked.

In relation to the previous key benefit, simplified processes and clearer communications internally have also had a positive effect for customers. Simplicity must be a core organisational feature for teams to accelerate performance and enhance their competitive advantage. Recalibrating for efficiency and clarity has led employees to break down their services in a way that is easier for customers to understand and helps identify market opportunities. It can also help an organisation become more inclusive in terms of its customer base by developing products and services for a more diverse group of people.

**On average,
organisations with more
disability-inclusive
employment practices score**

2% higher

on simplicity

**Employees that work
closely with persons with
disabilities score their
organisation**

6% higher

on customer focus



¹² Heidrick & Struggles: Meeting the inclusion imperative: How leaders can link diversity, inclusion, and accelerated performance 2020

Conclusion

From the study, it is clear that there are business benefits from the adoption of disability-inclusive employment practices. Companies that have overlooked disability inclusion should devote more attention and resources to this area and ensure they do not miss an important opportunity to accelerate business performance.

Companies with best practices and outcomes in disability-inclusive employment can attain national-level recognition with SG Enable's Enabling Mark. Presence of the mark signals a company is empowering, innovative and collaborative, which will positively impact their brand or employee value proposition in today's competitive talent market.



How to get involved

The business case for hiring persons with disabilities is strongly anchored in living out the values of focusing on ability and sustainability. It is also predicated on doing what makes sense for the business as it would be for a company's other initiatives. It is important to clearly articulate the benefits of inclusive hiring to leaders across departments to ensure universal buy-in, and to have a system in place to measure the impact.

SG Enable provides a systematic 5E framework for employers looking to hire inclusively. This framework is available on <https://www.sgenable.sg/your-first-stop/hiring-employment/employers>.



ENABLING EMPLOYMENT PLEDGE

A President's Challenge Initiative

Enable

Pledge your commitment and communicate you are an inclusive employer with the President's Challenge Enabling Employment Pledge.

Equip

Equip your organisation with knowledge and skills to be ready to embark on disability-inclusive employment.

Engage

Engage persons with disabilities as your interns, mentees or trainees with our transition-to-work initiatives to appreciate their abilities and help them grow.

Employ

Employ persons with disabilities and receive support with our consultancy services and grants.

Enabling Mark

Join the ranks of Enabling Mark recipients and be accredited as an inclusive employer! The Enabling Mark benchmarks your practices with a learning framework for your organisation's growth in valuing a diverse talent workforce and building an inclusive culture.



About the research

SG Enable commissioned Heidrick & Struggles to administer the Organisational Accelerator Questionnaire (OAQ) to 27 companies in Singapore that are accredited with the Enabling Mark.

About the Organisational Accelerator Questionnaire

Heidrick & Struggles began the research on Accelerating Performance with the FT500 companies as these are companies that have demonstrated real success for an extended period. We evaluated their compound average growth rate for revenue and narrowed down the list of companies by those that are in the top 20% for revenue growth in both the last three and seven years, that generated no more than 20% of their growth inorganically, that received no more than 20% of their revenue from their home government, and that had not seen their profit margin reduced by more than 20% as a percentage of revenue growth. As such, only 23 companies met the criteria.

We dived deeper into understanding what drove the outstanding success of these 23 companies and surprisingly, we found that high-growth and low-growth companies pursued similar objectives, but the difference was entirely contained in how well they pursued these objectives. We identified 13 key points of differentiation, where the best-performing companies provided drive to their organisation and where the worst-performing ones created drag. The correlation was startling, and we found that companies with better financial results scored better on the diagnostic based on the 13 key points. These 13 key points are included into our OAQ and administered to the 27 companies as part of this study.

The OAQ is a diagnostic tool that provides an acceleration profile based on an assessment of the factors that enable thriving cultures and sustained financial growth. The OAQ measures both an individual's perception of the organisation and his or her personal experience within it, and it can be completed by the entire organisation, by senior leaders, or by a representative sample of the organisation. Companies have used the insights to identify critical priorities and improve business performance, for example: to understand the sentiments of the organisation, assess and track the organisation's performance and culture, gather inputs to shape strategy, align leaders on critical priorities, etc.

With the insights on organisational performance drawn from the OAQ data, the team also conducted interview sessions with 10 of the companies to further explore the impact of disability inclusion on their organisation.

Based on the data collected from the OAQ, the team applied models to identify:

- The link between disability-inclusive employment practices, as assessed by the Enabling Mark, and organisational performance in the OAQ results
- The link between proximity to persons with disabilities at work and organisational performance

About SG Enable

SG Enable seeks to enable persons with disabilities to live, learn, work and play in an inclusive society. The focal agency for disability in Singapore, it raises awareness on disability issues and facilitates access to disability schemes and services. It brings partners together to share knowledge, collaborate and innovate, striving towards a common goal of building an inclusive Singapore and enabling lives. Set up by the Ministry of Social and Family Development in 2013, it is a registered charity and an Institution of a Public Character (IPC). For more information, visit www.sgenable.sg.

About Heidrick & Struggles

Heidrick & Struggles (Nasdaq: HSII) is a premier provider of global leadership advisory and on-demand talent solutions, serving the senior-level talent and consulting needs of the world's top organisations. In our role as trusted leadership advisors, we partner with our clients to develop future-ready leaders and organisations, bringing together our services and offerings in executive search, diversity and inclusion, leadership assessment and development, organisation and team acceleration, culture shaping and on-demand, independent talent solutions. Heidrick & Struggles pioneered the profession of executive search more than 65 years ago. Today, the firm provides integrated talent and human capital solutions to help our clients change the world, one leadership team at a time.®

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Inclusive society. Enabled lives.

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