

Executive Summary

Towards meaningful disability workforce and pay gap reporting

The challenges and unintended consequences



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Executive Summary

Introduction

Disability workforce and pay gap reporting initiatives in workplaces and mandatory proposals from Government and regulators are carried out with the best of intentions and with a worthy primary objective in mind: greater inclusion for disabled people in workplaces and in the wider labour market.

At first glance, it seems simple - the right thing to do. But when the government introduced their disability workplace reporting consultation in 2021, we were taken with the wording used in one of the chapters: 'unintended consequences'. It struck us that there were not many insights on the unintended consequences of what is now decades of diversity workforce reporting.

We therefore sought to focus on this by designing a project that gathered insights from employers and disabled employees to explore the nuances of this complex and sometimes emotive topic, to identify what these unintended consequences of upcoming mandatory disability workforce and pay gap reporting requirements could be and to make recommendations on how to address or mitigate them. The findings surprised us.

Our research showed that where workforce and pay gap reporting focusses solely on reportable numbers, it can inadvertently 'incentivise' employers into non-inclusive behaviours which have a negative impact on disabled employees – the very opposite to what reporting seeks to achieve.

In addition, as disabled employees themselves corroborated in our research, focussing on the number of disabled employees in a workforce alone is not the same as making a workplace inclusive for disabled employees.

The situation is, then, that employers focus their attention on changing the figures while disabled employees - who make up those numbers - remain unsupported and often waiting for the adjustments they need. Workforce and pay gap reporting then helps measure disability (but with limitations), but alone it does not help employers advance inclusion.

Instead, the most important and sustainable measure of workplace and wider labour market inclusion is how disabled employees feel they are treated and whether the employer continually makes adjustments as and when disabled employees need them.


It is the experience of work that constitutes inclusion for disabled people that is important – not just whether and in what number disabled people are present.


Our aim with this research and in presenting our findings is to make sure that any new proposals and legislation on mandatory disability workforce and pay gap reporting are as effective as possible in achieving their desired aims.


For Business Disability Forum (BDF), making policy ‘well’ means ensuring we have asked uncomfortable questions, understanding how and why a policy could fail, and equally understanding why it could just be the intervention that every disabled person needs.

Probing for the flaws as well as the positives is about trying to ‘iron them out’ before we cement them in policy and legislation and making sure that any workforce reporting requirements are as effective as possible in driving meaningful change – and inclusion.

Key findings

-  Mandatory disability workforce and pay gap reporting can have many unintended consequences for disabled employees. Employers are sometimes declining reasonable adjustments such as a reduction in hours, job carving, or reducing the seniority of someone's role when it is the request of the employee purely so that it does not widen their organisation's disability pay gap.

-  Mandatory reporting has been carried out for decades in many industries and remains mandatory in many sectors. Newly proposed reporting requirements would mean some employers would need to fulfil 4 (sometimes more) mandatory reporting responsibilities – each with different requirements.

-  Disabled employees were more against mandatory reporting than employers – employers were not 'against' having to do it; they just didn't think it was effective and the right type of data to focus on if they wanted to make meaningful changes for employees in the workplace.



Organisations that had opened up their support and workplace adjustments support to any employee who wanted to work in a different way found that the number of employees saying they have a disability fell. Employers said this was because when they have good processes, they “rarely” need to know if an employee has a disability, just what they are finding difficult. Disabled employees who worked in organisations where they felt included and had all the adjustments they needed also said they “haven’t needed to” say they have a disability.



Meaningful disability pay gap reporting is not about how much disabled employees earn; it’s about why they earn what they earn. Some want to do more, but others want to do less to help them manage their disability and keep working, even if ‘keeping working means fewer hours.

Recommendations

Based on the proposals and draft legislation we have seen, we have developed the following recommendations for Government:



Any disability pay gap requirements that come in should be reported by hourly pay as well as by hours worked. This would allow for (a) the overall pay gap to be captured, and (b) for employers to follow up with disabled employees to check if they are happy with their current hours or if they have unsuccessfully tried to gain more work in the organisation. In this case, employers should look into the reasons for this.



Recognise that mandatory workforce reporting puts the onus on disabled employees to share as much as it puts a duty on employers to report. Reportable figures are not about how many disabled people there are in a workforce; they are about how many disabled people have chosen to tell their employer that they are disabled – and no employer should be pressurising disabled people to share this information at work if they do not want to.



Resolve the “mixed message” of encouraging employers to do more to offer options such as job carving and flexible working alongside the message of ‘narrow your disability pay gap’.



Ensure nothing in the proposal discourages employers from taking up and expanding disability employment programmes and job carving initiatives, for example by clearly categorising employers who engage in such schemes. Where employers undertake formal, sizeable disability employment schemes and programmes, the pay gap reporting system should allow them to identify this in some way, so that these employers have their data flagged or noted.



Explain how the Government will identify and what it will do to act when employers are demonstrating practices that are resulting in poor experiences for disabled people (such as denying employees’ adjustments requests) in order to improve figures or narrow their disability pay gap.



Enable employers to submit a narrative with their workforce and/or pay gap figures which allows them to show the story behind the figures and share any evidence they have to help explain their figures. It is in the interest of businesses to share this narrative in their reporting as it allows them to show the good practices that they are doing, and to say what they plan to do to improve their figures and where they are going to focus. This also enables employers to share other measures like engagement scores, satisfaction with workplace adjustments and other indicators that help give an indicator of how it “feels” to work here.

The above recommendations are based on the “direction of travel” in which we believe reporting requirements are going.

If reporting requirements become mandatory, our recommendations would be for employers to be required to report on the experience disabled employees have; whether they have all the adjustments they need; how long it took to get those adjustments; and how inclusive for disabled people they feel their organisation is.

Background

Diversity, inclusion, equity, organisational culture, neurodiversity, mental health, well-being – all of these terms and topics have never before been more “on the agenda” in workplaces than they are today. Yet none are exceptionally new concepts, even if the language has shifted.

In 2025, disability equality legislation that implemented disabled people’s right to reasonable adjustments at work will be 30 years old (Disability Discrimination Act 1995), and the Equality Act 2010, which expanded the remit of what defines a ‘disability’ will be 15 years old.

And yet, disabled people’s experiences of work are lagging: they find it difficult to get the adjustments they need,¹

¹ Just 10 per cent of disabled employees said it was easy to get the adjustments they needed from their employer, and 1 in 8 disabled employees wait over a year to get the adjustments they need (Business Disability Forum, 2023, The Great Big Workplace Adjustments Survey (n=1,480).

they are bullied, harassed or feel patronised by others at work because of their disability,² and are generally dissatisfied with their work situation,³ and / or are considering leaving their job because they do not feel they are being treated well.⁴

Many organisations have been required to collect and publicly report their disability workforce figure and / or their disability pay gap for years; some for decades. Yet, we see that disabled people's experiences when at work have been slow to improve.

In our report, *Towards meaningful disability workforce and pay gap reporting*, we share the findings from our research project to consider the purpose of disability workforce and pay gap reporting and how it can be made meaningful.

2 38 per cent of disabled employees said they had been bullied or harassed at work because of their disability, and 40 per cent said they feel patronised or "put down" by other people at work because of their disability (Business Disability Forum, 2023, *The Great Big Workplace Adjustments Survey* (n=1,480)).

3 1 in 4 disabled employees are dissatisfied or very dissatisfied with their work situation (Business Disability Forum, 2023, *The Great Big Workplace Adjustments Survey* (n=1,480)).

4 28 per cent of disabled employees said they are considering leaving their current employer because they don't feel they have been treated well (Business Disability Forum, 2023, *The Great Big Workplace Adjustments Survey* (n=1,480)).

About the research

Our project began with the UK government's consultation on workforce (rather than pay gap) reporting back in 2021.

It has continued and evolved to include a focus on pay gap reporting which is likely to be brought in (or at least consulted on) imminently by the current government.

In December 2021, the government published a consultation on disability workforce reporting which asked if employers with over 250 employees should be required to report the number of disabled people they employ. To inform our response, we worked with employers and disabled employees on each section of the consultation paper to gather their views and any alternatives they suggest.

Some employers' views included the following:

“This is not going to be a ‘silver bullet’. It is a prompt for doing things, but good employers would do those things anyway.”

“It is tempting to say ‘why not’ to mandatory reporting, but we do need to ask ‘why’. What does this data actually allow us to do?”

While no one in our working groups were avidly ‘against’ mandatory reporting, neither was anyone entirely ‘for’ it. Our research did not seek to create a ‘for or against’ debate; we instead wanted to understand what the unintended consequences, implications, and benefits of mandating disability workforce reporting and, later, disability pay gap reporting would be.

“ Disability workforce reporting does not, and cannot, measure the experience of having a disability; it can only capture the number of people who say that they have a disability in response to a specifically worded question at one specific ‘snapshot’ moment in time.

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As above, we were particularly taken with the term used in the government's 2021 consultation on disability workforce reporting, 'unintended consequences'. We felt this term was exactly apt: disability workforce and pay gap reporting proposals have good intentions and are well-meaning.

However, as our project has discovered, such policies can encourage poor behaviors and non-inclusive decisions from employers when they focus on reportable numbers only, instead of focusing on identifying barriers and making adjustments for disabled individuals and groups in their workplaces.

It is these 'unintended consequences' that have not been part of the public debate on workforce and pay gap reporting that we wanted to uncover. We wanted to share views and concerns from employers who will be subject to the proposed requirements, and from disabled employees on which all of this depends, whether they choose to give their data or not.

We designed research that would follow the development of the government's considerations on implementing these proposals alongside understanding employers' and disabled employees' concerns and the practical challenges that were likely to arise.

Through our project, we wanted to find out if workforce reporting actually increases disability inclusion – and if not, what (else) is needed to achieve this. We also wanted to look beyond the “moral argument” – where reporting is clearly “the right thing to do” – to look at the nuances in its implementation; the practical challenges, issues and consequences as well as the benefits.

Our findings are from 64 employers and 64 disabled employees who work in large organisations. Involvement from employers and disabled employees was self-selecting, which means the 64 disabled employees involved are not necessarily working in the same organisations represented by the 64 employers.

More detail on our research methodology is available in the full report.

The unintended, non-inclusive consequences of disability workforce and pay gap reporting

Overall, we identified that the government's proposals are indicating to employers that the organisation with the highest percentage of disabled employees or the employer with the narrowest pay gap is the most disability inclusive employer.

This was promoting some poor, non-inclusive decisions and behaviours from employers in favour of improving their reportable figures. These unintended consequences included:



Employers doing regular internal communications and campaigns to encourage employees to tell their employer they have a disability. This tipped into what both employers and disabled employees called “being bullied” for their data or being “forced to disclose”.



In industries where mental health conditions and work-related stress are most common, the prevalence of disability is higher in reported figures. Mental health and long-term stress could potentially be protected as a disability under the Equality Act 2010 which, in turn, could perversely 'reward' pressurised, unhealthy, psychologically unsafe and stressful workplaces.



Where employers had improved the ease and accessibility of accessing support and workplace adjustments to as many employees as possible, the number of disabled employees saying they have a disability fell. The reason for this was generally because these employers had removed employees' need to say or prove they have a disability before they get what they need to do their job. The need to tell their employer they have a disability is, in effect, removed. In one disabled employee's words, "I haven't needed to" [say that they have a disability].



Employers who promote job carving and invest in disability employment programmes questioned whether they would stop doing these (because these programmes widen their organisation disability pay gap), or acknowledged that they would be 'willing to ignore' the disability pay gap to keep doing them because they could see the benefits to disabled workers, their organisations more widely, and the wider impact in their local communities in which those programmes operated. Whether the employer was willing to "ignore" the disability pay gap figure they had for the sake of continuing to pursue these programmes, it does nevertheless illustrate the conflict between employing a large number of disabled people at entry level roles to give them their first job opportunity (where this is the only realistic job opportunity for them) and the drive to narrow an organisation's disability pay gap.



Some employers decline requested adjustments such as job carving, reducing an employees' hours, or moving them to a less senior role (or to reduce the seniority of their responsibilities), because they know the impact this would have on the organisation's disability pay gap.

Our research also looked at how UK reporting requirements impact organisations with workers across the globe and separately, the impact of the type of data that Boards and directors ask for – that is, figures and percentages, not how disabled employees are feeling - which are encouraging or can lead to poor behaviours.

Some inclusion managers even said it is only when they report poor figures about disability that their senior leaders sign off more budget for disability. This caused a perceived disconnect between Boards/directors, the managers collecting and reporting data, and disabled employees themselves.

It also emphasised the idea of doing work 'about' disabled employees but not 'with' them or with their input. In one senior manager's words:

“We are doing lots about disability with not a single person with a disability involved”.

Using the right language and asking the right questions

If mandatory reporting is introduced, the issue for individual employers of how to word “the disability question” is largely, or entirely, removed.

But many employers had worked hard and co-productively with disabled employees and disability staff networks to agree a language and internal narrative about disability, sometimes even collaborating to produce style guides or language guides about how to talk about disability and disabled people.

Disabled employees we spoke to as part of the research and some employers said they had moved away from the legal definition of disability, and it would be disappointing to regress to this. Disabled employees also said they did not want the government to impose a standardised language for reporting onto their employer.

Employers also struggle to categorise disability and collect data in a way that accurately captures 'yes' responses from everyone who has a disability. Our research includes a case study of the difficulties and socio-medical and cultural nuances of disabled employees identifying (a) whether they are disabled or have a disability as per how the employer is wording it, and (b) which sub-category of disability they should place themselves in from the "drop down" list provided by the employer.

Instead, employees and disabled employees said the real measure of disability inclusion in the workplace is how disabled people feel they are treated and whether they get the adjustments they need when they need them. They also said a disability inclusive employer is one who proactively identifies and removes barriers in the workplace.

To this end, some of our discussion groups looked at different ways of categorising the experience of disability in the workplace by collecting data on the barrier someone experiences. For example, instead of asking employees what type of disability they have, ask them what they find difficult in the workplace.

Examples in the discussion groups included difficulty with indoor lighting, adjustment to the built environment and needs to use assistive technology. This approach would help employers understand where the most significant barriers for disabled people are in their organisations and help them to prioritise removing them.

It also focuses employees into thinking about what they find difficult and what type of solution may help remove them (such as which adjustments would help).

“ Getting the language pristine while adjustments are being left unmade and barriers are not removed does not make an employer disability inclusive.

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Conclusions

This leads us to conclude that upcoming disability workforce and pay gap reporting encourages employers to measure diversity, but not to improve inclusion.

Ultimately, we all want to focus effort and energy on the areas which help achieve the goal of much better experience for disabled people, both whilst seeking a job and once in the workforce.

We see consistently the most urgent policy (and legal) issue that needs addressing is the experience of disabled employees and whether or not they get the adjustments they need when seeking work and when they get into work. It is not that we are against mandatory reporting per se, and neither are employers or disabled employees who took part in this project.

Rather, our view is instead that it is not a priority above supporting employers to ensure they are, in turn, supporting disabled employees, making adjustments, and operating inclusive and accessible recruitment methods.

We saw in our most recent adjustments research, The Great Big Workplace Adjustments Survey, how much of an issue these areas are:



Just 10 per cent of disabled employees said it was easy to get the adjustments they needed from their employer.



1 in 8 disabled employees wait over a year to get the adjustments they need.



64 per cent of graduates found it very difficult or difficult to apply for a job.

Overall, there was evidence that organisations generally see better, inclusive conversations about disability taking place when they improve their processes and get the workplace culture right. However, where there was a really good culture for disabled people to say they have what they need and their employer generally treats every employee well and provides the support needed, then employees do not need to say they have a disability at all.

The theory that inclusion practitioners have generally upheld is that you get the numbers if a great culture drives the data; but employers and disabled employees are now saying that if you have a really great inclusive culture, there's no need for the sharing of data. Inclusion, therefore, is when your employees have everything they need, regardless of whether they share their data.

In 2 employers' words:

“It’s rare that we need people to disclose their disability. If instead we ask everyone what they need, that’s actually all we need. By requiring disclosure, we exclude people who aren’t diagnosed.”

“If we have good processes, we actually don’t need employees to disclose”.

Disabled employees agreed with this. Those who felt they had a supportive, inclusive employer where they had all the adjustments they needed said they “haven’t needed to” (a disabled employee’s words) tell their employer about their disability.

“ Employees and employers we spoke to said focusing on the number of disabled employees in a workforce is of limited value. They argued that the emphasis should be on adjustments and what businesses are doing (or are planning to do) to remove barriers for employees.

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It is important that we understand the limitations of mandatory workforce and pay gap reporting as just one part of the solution. Much more is needed to be truly disability inclusive, which can be summed up by the following words from an employer:

“Collecting statistics gives you a small picture, a window to a point in time. That’s all. Putting real effort into real diversity and inclusion work demands much more time and innovation. The protected characteristics are out of date, disabled people don’t want to be treated differently. They want to be part of a whole.”

It is vital that we – and employers and Government – also focus on the wider issues that are pivotal to ensuring a better experience for disabled people in the workplace, including the provision of adjustments.

This research is part of an ongoing ‘conversation’ for Business Disability Forum as we work to constructively shape and influence Government proposals and implementation, and as we continue to work with disabled employees and employers to make any mandatory reporting as meaningful as it can be, and their additional voluntary, experience-based data practices better and more effective.

We would like to say an immense thank you to everyone who has constructively challenged and debated with us, who have shared their own insights and evidence, and who pointed us in the direction of others who had both supporting and contrary views to our findings during this project. In our full report, we have named those who gave us their time by listening to us or giving us feedback or discussing their own views with us.

“ **Getting the number reported is not going to create impact but, rather, impact will be created by what employers do with whatever data they collect – or, in one employer’s words, ‘the impact of the figure is more important than the figure on its own.**

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Please read the full report, available at **businessdisabilityforum.org.uk/DisabilityReporting**

Business Disability Forum is the leading business membership organisation in disability inclusion. We work in partnership with business, Government, and disabled people to remove barriers to inclusion for employees and consumers.



**Creating a disability-smart
world together**

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About Business Disability Forum

Business Disability Forum is the leading business membership organisation in disability inclusion. We are trusted partners, working with business, Government and disabled people to improve the life experiences of disabled employees and consumers, by removing barriers to inclusion.

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