

New Recommendations on Retention and Reemployment Could Keep Workers in Jobs After Injury or Illness

Carefully designed federal policies and practices, especially those that focus on lower-skilled workers, may promote retention and reemployment after an injury or an illness—job-related or not.

Every year, more than two million workers across the nation see a significant drop in their productivity because of a new or a worsening medical condition, at least temporarily. Many of these workers have held their jobs for years. Carefully designed federal policies and practices, especially those that focus on lower-skilled workers, may promote retention and reemployment after an injury or an illness—job-related or not. Keeping these workers in the labor force could help them stay productive, maintain their standard of living, and avoid depending on government programs.

This policy brief lays out recommendations for policies and practices that could be first steps in a larger federal effort to encourage employers to retain and rehire workers whose productivity has been stemmed by an injury or an illness. Developed by a policy workgroup of medical, labor, and research experts led by Dr. Kevin Hollenbeck of the W.E. Upjohn Institute for Employment Research, the recommendations are appealing for two reasons. They require a relatively modest investment of resources, and they emphasize “carrots” over “sticks,” so employers are not likely to strongly oppose them. Nevertheless, public agencies that consider these policies should rigorously evaluate their impacts before implementing them on a large scale.

RECOMMENDATIONS

Retention

In general, it is easier for government agencies to give employers and workers evidence about the benefits of retention than it is to influence their behavior through regulatory financial incentives or penalties. The extent to which retention can be promoted simply by disseminating information, however, is unclear. What we do know is that policies that involve financial incentives or penalties will be more palatable if they focus on increasing the benefits of retention, not the cost of separation. The following recommendations account for these caveats:

- To assess whether disseminating information to frontline managers and supervisors is likely to promote retention, the Department of Labor (DOL) should consider conducting a study in which some firms are given information on the benefits of retention, and others are not. If, over time, the level of retention is greater in the first group than in the second, then DOL should consider disseminating such information more broadly.
- Employer resource networks (ERNs) are a fledgling initiative that has been shown to have positive impacts on retention. DOL should consider conducting a study to determine whether and how ERNs have tackled the issue of retention after a worker

has disabling injury or illness. If the ERNs' efforts show promise, then DOL should (1) encourage states to collaborate with employers to establish ERNs and (2) provide technical assistance to employers that are trying get ERNs off the ground.

- DOL, in collaboration with organizations such as the Society for Human Resource Managers and the International Employee Assistance Professionals Association, should consider providing ERNs and employee assistance programs with information about best practices in retaining workers who have sustained a serious injury or illness.
- Using the Ticket to Work infrastructure, DOL should consider piloting a "Ticket to Stay at Work" program, a voucher-like initiative primarily for workers covered by private disability insurance.
- DOL should consider assessing the evaluability of a pilot subsidy program that would cover part of the cost that employers pay in accommodations and/or in lost productivity.

Reemployment

As local workforce development agencies implement the Workforce Innovation and Opportunity Act (WIOA), DOL and other federal agencies should look closely at its impact on the training and reemployment of workers who have

had an injury or illness in order to determine whether the legislation is promoting reemployment. In addition to an evaluation of WIOA, we recommend the following:

- The Rehabilitation Services Administration or DOL should consider conducting, and promoting the results of, a study that identifies best practices in reemploying workers who have had a significant injury or illness.
- Any financial incentive tied to reemploying workers who are not in the labor force because of an injury or an illness would require some accountability. DOL should therefore consider how the structure of state vocational rehabilitation agencies and local workforce development agencies could be used to certify the eligibility of such workers on a widespread basis.
- DOL should look into designing a pilot program that would expand Ticket to Work to individuals who are not in the labor force because of an injury or illness but have not yet applied, or been approved for, Social Security Disability Insurance.
- DOL should explore the possibility of designing and piloting a wage-loss insurance program that pays benefits to individuals who have been reemployed at a lower salary after they were out of the labor force because of an injury or an illness.

For more information about the Stay-at-Work/Return-to-Work Policy Collaborative please contact R2WPolicy@mathematica-mpr.com.

Reference

Hollenbeck, Kevin. "Promoting Retention or Reemployment of Workers after a Significant Injury or Illness." Final report submitted to the U.S. Department of Labor, Office of Disability Employment Policy. Washington, DC: Mathematica Policy Research, October 2015.

