

Creating an Inclusive Workplace

Integrating Employees With Disabilities Into a Distribution Center Environment

By James P. Kaletta, Douglas J. Binks and Richard Robinson

IN BRIEF

- Many companies would like to employ people with disabilities but are concerned that this population is more expensive to employ and less safe than the general workforce.
- The Supply Chain and Logistics Division at Walgreens Co., a 10,000-employee unit of a national retail pharmacy chain, debunks this myth by successfully employing hundreds of people with disabilities throughout its 21 U.S. distribution centers.
- This article shares specific performance statistics, as well as management policies, techniques and strategies that other companies can apply to their own workforces.

Ancedotal evidence suggests that many companies would like to employ people with disabilities, yet may doubt their ability to keep these individuals safe on the job. Companies also may worry that employees who have disabilities might unintentionally create hazards for themselves and other employees, raise workers' compensation rates and possibly create a liability exposure.

As a result, many people with disabilities remain excluded from the workforce despite the passage of the Americans with Disabilities Act in 1990, which made discrimination based on disability illegal (see ADA Recap sidebar). According to Bureau of Labor Statistics (2012) data for March 2011,

only 21% of people with a disability over age 16 are in the labor force. That compares with 69.7%

of people without a disability. These data indicate that American industry is ignoring a potentially valuable segment of the workforce. Furthermore, a huge amount of human capital is not being developed to its fullest.

Thanks to the vision of a senior Walgreens distribution executive who has an adult son with a disability, the planned construction of a new distribution center (DC) in Anderson, SC, became an ideal opportunity to hire large numbers of qualified new employees with a broad range of disabilities. The goal from the start was to create an integrated work environment in which employees with and without disabilities would work side by side, doing the same jobs for the same pay, and being held to the same standards.

Initial planning began in 2002, and initial startup of the 670,000 sq ft facility occurred in 2006. The grand opening came in 2007, and by 2008 the building was operating at full capacity. Total population varies but is in the 550- to 600-employee range. Similarly, the number of employees who have chosen to disclose that they have a disability varies as well, but typically ranges from 35% to 40% of the total workforce.

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Productivity & Retention Analysis

Now that the Anderson DC is approaching its 5th year of operation, Walgreens has been able to compile meaningful amounts of operational data. This is particularly helpful given the large number of requests the company receives from other companies interested in implementing a similar inclusive workforce program. When it comes to analyzing the costs and benefits of including employees with disabilities in the regular DC workforce, the company believes that productivity and employee retention are two key measures. Let's look at some of internal data on these important factors.

Productivity is defined in output per hour. Management measured productivity rates of employees at various work stations within the DCs; these areas were divided into two groups: functional areas and locations within those functional areas. Each employee was classified as having a disability or not having a disability. Both groups work in the same job capacities/locations and are expected to be equally productive. The units of measure depend on the work location and include cases, lines, pallets and trailers. The analysis was designed to measure the productivity rates of both groups of employees to determine whether their productivity rates are statistically equal.

Walgreens management analyzed a total of 31 distinct locations in three DCs, including the one in Anderson, SC. In 18 locations, the difference in productivity rates was statistically insignificant;

in three locations, employees without a disability were more productive; and in 10 locations, employees with a disability were more productive. These

ADA Recap

Nearly a generation has passed since the Americans With Disabilities Act of 1990 became law. This landmark legislation prohibits discrimination and ensures equal opportunity for people with disabilities in employment, state and local government services, public accommodations, commercial facilities and transportation (DOJ, 2008).

ADA states that a covered entity shall not discriminate against a qualified individual with a disability. Title I of the law addresses employment and applies to job application procedures, hiring, advancement and discharge of employees, workers' compensation and job training. The term *covered entity* generally refers to an employer engaged in interstate commerce and having 15 or more workers. It also can refer to an employment agency, labor organization or joint labor-management committee (DOJ, 2008).

Discrimination may include, among other things, limiting or classifying a job applicant or employee in an adverse way or denying employment opportunities to people who truly qualify. Once employees have been hired, discrimination also can consist of not making reasonable accommodations to the known physical or mental limitations of employees with disabilities, not advancing employees with disabilities commensurate with their skills and accomplishments and/or not providing needed accommodations in training (DOJ, 2008).

Figure 1

Relative Picking Rate Comparison

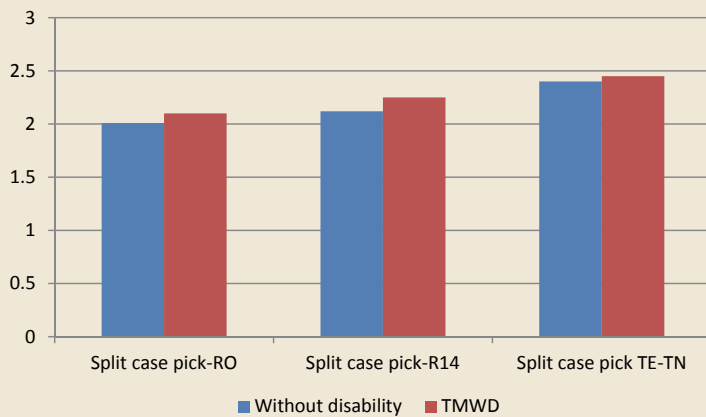
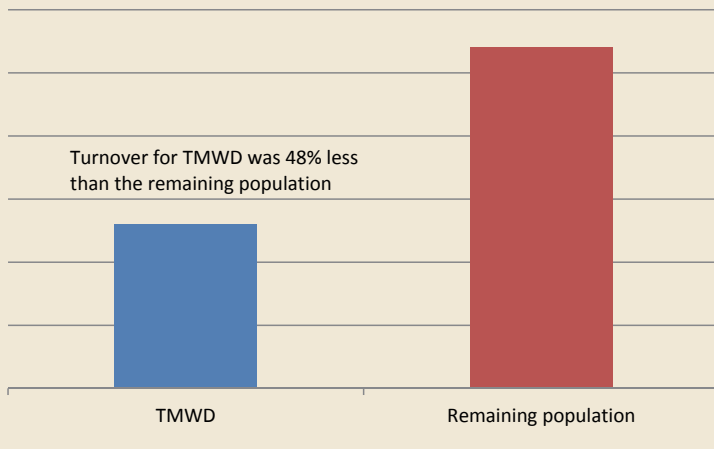


Figure 2

Employee Retention & Turnover



For all four locations the 3-year average turnover rate was significantly higher for team members without a disability as compared to team members with a disability. These results support the hypothesis that individuals with disabilities have lower turnover rates.

results indicate that employees with and without disabilities are equally productive (Figure 1).

As for retention, Walgreens analyzed employee turnover data from four locations over 3 years. Each employee was classified as having a disability or not having a disability. The goal was to determine whether the turnover rates were statistically different for the two groups. In this case, turnover rate is the number of employees who left Walgreens within the year divided by the total headcount (end-of-year). For each location/year, the turnover rates of both groups of workers were measured and statistically compared at a 95% confidence level. Also, the 3-year average turnover rates were measured and compared.

For the studied locations, the 3-year average turnover rate was significantly higher for employees without a disability as compared to employees with a disability (Figure 2). These results support the hypothesis that individuals with disabilities have lower turnover rates.

These results support the idea that workers with disabilities and without disabilities are equally productive.

Safety Starts With Employee Selection, Training

Success was far from a sure bet initially. During planning and construction, Walgreens looked for peer companies for advice on how best to achieve its inclusion goals. The company found no other peer companies that employed people with disabilities in large numbers, so, ultimately, it needed to create its own process. Early on, Walgreens decided to focus on three main strategies to maximize the likelihood of success:

- Forge partnerships with state and local social services agencies early in the process to assist with the initial screening and training of candidates with disabilities on an ongoing basis.

- Build a physical workplace conducive to accommodating employees with different abilities. Focus on building design, equipment selection and management practices to maximize efficiency among workers of all abilities.

- Create a welcoming and accepting culture in the building from the first day of operations. One expected benefit was to make safety a top priority among all employees.

The project team initially chose three DC jobs as good targets for people with disabilities due to the straightforward nature of tasks. What's more, the team created an on-site training room that would simulate the actual work environment of these jobs, which include:

- **Case check-in.** The employee removes a box of product from a pallet and verifies it against a purchase order. S/he then uses a scanner to enter its UPC into the inventory management system.

- **De-trash.** The employee removes a box of product from a conveyor, opens its outer carton and discards all bulk packaging before placing the product into a tote for storage.

- **Split-case pick.** This job involves manual picking of orders of partial cases of product, then placing picked items into a tote on a conveyor in preparation for shipping to the requesting store.

As it became clear that the effort to add employees with disabilities to the workforce was successful, this initial practice was revised. Now, any employee can be considered for any job that fits his/her abilities within the parameters of the company advancement policy, which is based on achievement, seniority and other factors.

Creating a safe workforce begins with hiring the right people. Walgreens focused its early efforts on developing strong contacts at local agencies that serve people with disabilities. These agencies were highly motivated to create successful placements for clients and offered extensive guidance about how best to accomplish initial training.

One fact that became clear early on is that job training for people with disabilities must cover more than just work tasks and safety. Since many candidates with disabilities have never held a job before, initial training must include basic life-skill information such as how to use a time clock and the importance of personal hygiene. Candidates typically welcome such information once they realize its importance to their overall success.

The team at the Anderson DC worked with the local agencies to set up a training room that featured an unused conveyor and expired product donated by manufacturers. This training room was later moved into the DC, and is now staffed by outside job coaches from the local agencies. Walgreens employees provide training support and information about company culture and the required skills for each job to these coaches.

They also observe candidates' progress and establish a rapport with them, which helps increase the likelihood of candidates' success, both in being hired and retained as employees. Walgreens places no limit on how many days candidates may spend in the on-site training room, since they are not paid during training, and they are not penalized for staying longer than peers. The goal is to achieve a successful hire, not adhere to a specific, one-size-fits-all training schedule.

Like most distribution organizations, Walgreens assigns each employee a production rate as a crucial metric in evaluating job performance. When candidates at the Anderson DC reach 80% of the target work rate and both the Walgreens and external job coaches agree that the candidate is ready, s/he becomes a Walgreens employee and begins a 45-day trial period, identical to all other new hires. Other DCs require all new employees to reach 100% of rate before being hired.

When an employee discloses a disability, the company then provides any reasonable accommodations to enable that employee to function successfully on the job. However, disclosing any disability is entirely voluntary. Typical disability types disclosed include cognitive, sensory, physical or psychological disabilities. As Figure 3 shows, 37% of employees at the Anderson DC have disclosed a disability.

Employees with disabilities must meet all safety training requirements but, depending on the nature of the disability, the support team can adapt training as needed so that the employee can understand the content and demonstrate mastery. One caveat: All essential safety content must be retained. For example, for someone with a cognitive disability, the job coach or DC safety manager might read written tests aloud, simplifying the language as necessary, and the employee may answer verbally. The trainer would then amend the written record to document the employee's answers.

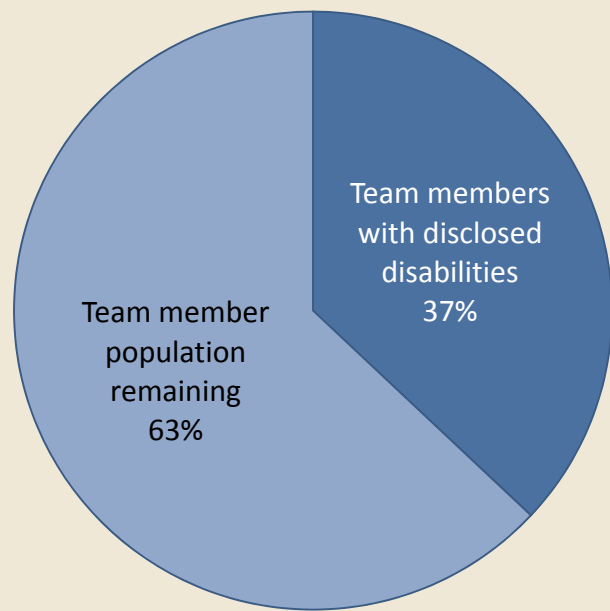
Lift Trucks: Area of Special Concern

Lift-truck training, as a safety-critical role in any DC, must receive special attention. In general terms, a widespread belief in industry holds that persons with a hearing disability are automatically unfit to drive a lift truck. The current regulatory environment is contradictory on this issue.

Consider the voluntary consensus ANSI/ITSDF (2009) standard, Safety Standard for Low Lift and High Lift Trucks (B56.1-2009), which sets forth operator requirements in paragraph 4.18. "Operators of powered industrial trucks shall be qualified as to visual, auditory, physical and mental ability to operate the equipment safely."

Figure 3

Disclosed Disability by Percentage of Employees



However, industry's primary obligation is to meet the requirements of all OSHA standards, which of course carry the force of law. OSHA's (2005) powered industrial truck standard (29 CFR 1910.178) states, "The employer shall ensure that each powered industrial truck operator is competent to operate a powered industrial truck safely, as demonstrated by the successful completion of the training and evaluation specified." Note that the standard does not list specific physical requirements for operators.

An OSHA letter of interpretation dated Jan. 26, 1998, specifically addresses this issue (Miles, 1998). "OSHA has not incorporated this ANSI requirement as an OSHA standard under section 6 of the Occupational Safety and Health Act."

This letter also clarifies the agency's position on the role of the General Duty Clause as it pertains to lift-truck operators with hearing disabilities.

OSHA cannot "enforce" a private consensus standard such as the ANSI physical requirements for industrial truck operators under the General Duty Clause. However, OSHA would consider issuing citations under the General Duty Clause on a case-by-case basis when it could be shown that the use of physically disqualified operators was recognized, by a particular employer or by that employer's industry, as a hazard likely to cause death or serious harm to employee.

The letter also addresses the issue of whether companies may institute job-related physical requirements for employees.

In general, ADA gives employers some latitude to impose medical qualifications when substantial, safety-related reasons for imposing such qualifications can be demonstrated. . . . OSHA believes an employer's duties under the General Duty Clause are

consistent with his duties under the ADA. The OSH Act requires employers to enforce medical qualification requirements when the failure to do so would create a “recognized hazard causing or likely to cause death or serious physical harm,” while the ADA specifies that an employer is allowed to implement such requirements when failure to do so would pose a “direct threat” to health or safety. OSHA will make every effort to be consistent with nondiscrimination principles in enforcing the General Duty Clause and, in particular, OSHA would encourage employers to explore reasonable accommodations that will allow otherwise-qualified individuals to remain on the job while eliminating threats to the health or safety of others in the workplace.

Walgreens has taken the approach of hiring lift-truck operators who are hearing impaired or deaf but otherwise qualified, as the following discussion details. Internal company data show that this trendsetting approach has been justified.

Study Population & Demographics

Walgreens employs workers with disabilities in all of its 21 DCs. Accordingly, the company wanted to compare the safety performance of employees with a disability versus the remaining population. To make the study as accurate as possible, the team examined the DCs with the longest history of operations as well as those with the largest populations of study subjects in order to compare performance. For example:

- The workers’ compensation cost analysis was done using the Anderson, SC, building because it had been open for nearly 5 years. It also had the second-largest population of employees with disabilities and the longest comparative history of workers’ compensation and injury claims.
- The lift-truck data were collected from the DCs with the largest populations of hearing-impaired and deaf drivers. The team was able to analyze and compare data on 21 of 38 (55%) of the division’s deaf or hearing-impaired drivers. Of 199 drivers in the division with disabilities, data on 131 (65%) were analyzed. The four DCs in the study had a total of 430 drivers versus the driver-with-disability population of 131 (30%).

The lift-truck hours analysis used motion hours only, which totaled 142,000 hours. The authors believe motion hours represent the most at-risk hours for operators. The hours did not include login hours (three times greater) in which the machine was logged in to a specific driver, nor the standstill hours (two times greater) during which work may have been taking place.

Finally, the team used several analytical approaches. The team performed a consistent review of expected versus actual outcomes for the comparative populations. This was done using various methods including chi-square analysis, weighted rating analysis and paired proportion testing. Additional approaches included hypothesis testing about the difference between the means of two populations.

Lift Trucks at Walgreens DCs

The lift-truck program at all 21 Walgreens DCs is comprehensive in focus and attention to vehicle maintenance and driver performance, including training and retraining. The fleet consists of approximately 1,500 vehicles and 3,400 certified drivers. All drivers complete classroom and practical application training, then complete a 9-week trial process in which multiple task-observation and coaching reviews occur before a driver can become certified (Kaletta, 2008). This approach applies to the entire DC population, including employees who have disclosed a disability to the company and those who have not.

All Walgreens lift trucks are equipped with fleet management software that monitors vehicle maintenance, OSHA checklist completion and vehicle motion events. Examples of such events might include a lift-truck driving over a piece of wood, entering a rack or pallet too aggressively, or bumping a stationary object or another vehicle. The vehicle’s impact setting is relatively sensitive so that even minor impacts register.

The driver’s supervisor must review any alert prior to putting the truck back into service. If a more serious event occurs, a formal investigation is performed, and the driver will receive additional coaching and possibly remedial training. S/he also may be removed from the vehicle for a period of time or even permanently if circumstances warrant, as in the case of aggressive driving.

When the Anderson DC opened in 2007, an extensive discussion focused on safety considerations when deciding where team members with disabilities should be placed. Management eventually made a commitment to open lift-truck driving jobs to hearing-impaired and deaf team members. Safety staff was understandably more cautious, particularly since virtually no external research addressed this issue.

However, the DC staff successfully adapted how they train, communicate and coach. Most importantly, they do not lower standards for reviewing and certifying a lift driver regardless of his/her disability. The company ultimately decided that some specific cognitive and motor-control disabilities disqualify employees from operating lift trucks since interpreting signals and vehicle stability driving are safety-critical issues.



PHOTO COURTESY WALGREENS

The safety data from the Anderson site and three other Walgreens DCs have been reassuring. The analysis included a review of the combined operating history of the four sites. Two centers were the newest technology centers, including the Anderson DC. These buildings are heavily automated and deal with partial-case orders for individual stores that must be packed by hand. Lift-truck operations at these sites are primarily a receiving function.

The other two centers are full-case DCs; at these sites, unopened cases of product are stored before shipping directly to stores, so lift trucks are used far more extensively than in the split-case facilities. The two full-case DCs were selected for data analysis because they employ the greatest numbers of lift-truck drivers who have disclosed a disability.

To develop a fair picture of lift-truck drivers' performance at these four key DCs, only motion data from the lift management systems was considered. In other words, the analysis covered only the time when the equipment was actually moving as opposed to periods when a driver was logged on but the vehicle was stopped for maintenance or order filling (see Study Population and Demographics sidebar). In a 40-month period from January 2008 to May 2011, lift-truck operators logged 142,020 motion hours. A total of 252 events were recorded during this time that required investigation, including vehicle motion events (Table 1).

The Walgreens Supply Chain and Logistics Division has 199 lift drivers who have disclosed some type of disability. Of that group, 38 are deaf or hearing impaired. In the four-site data analysis, the data covered 110 drivers with disabilities, including 21 drivers who are deaf or hearing impaired. Figure 4 shows the employee pool analyzed.

To quantify safety performance, the driving performance of employees with a disability was compared to that of employees without a disability. The incident frequency and severity for both groups was very low, and no lost time or disabling injuries occurred as a result of lift incidents during the measurement time frame. Figure 5 shows the total number of incidents per 1,000 motion hours.

Management and its consultant were careful to use a statistically valid approach. It was determined that the employee population who had disclosed disabilities (team member with disability population, or TMWD, in Walgreens parlance) had a significantly lower rate of lift-truck incidents than the rest of the DCs' lift driving populations.

Hearing-Impaired/Deaf Lift-Truck Drivers

As data were analyzed, management wanted to determine how lift-truck drivers who are hearing-impaired or deaf performed. Experience with companies looking at these inclusion efforts for workers with disclosed disabilities indicates a hesitancy or skepticism about opening lift driver jobs to deaf or hearing-impaired employees. The Walgreens team again analyzed the data from the same four distribution centers. Figure 6 (p. 68) shows that the deaf-hearing impaired group had an incident frequency that was less than 50% of the remaining population.

Table 1
Lift-Truck Driver Performance

	TMWD	Not	Total
Hours logged on	43,828	98,193	142,020
Incidents ^a that required recording	54	198	252

Note. ^aIncident is defined as any vehicle contact or maneuver that sets off the threshold impact alarm and requires investigation by the manager.

Figure 4
Lift-Truck Analysis Population

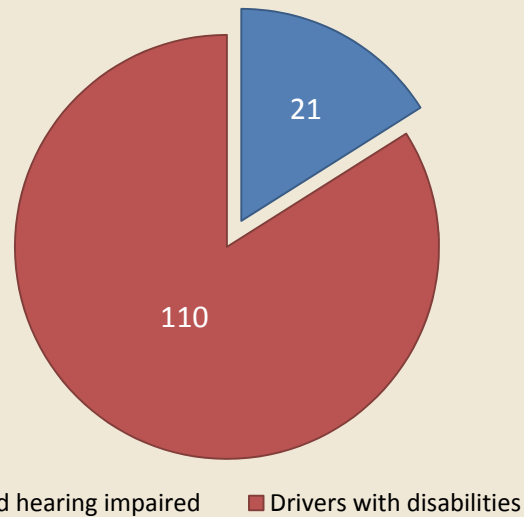
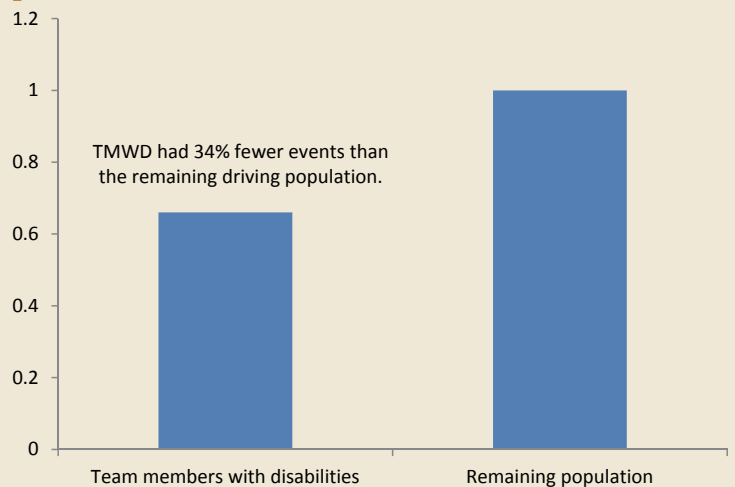


Figure 5
Relative Incidents-Accidents per 1,000 Motion Hours



The reason for this lower frequency cannot be determined with certainty. However, employee interviews revealed that these employees see operat-

Figure 6

Relative Comparison of Incidents-Accidents/1,000 Hours

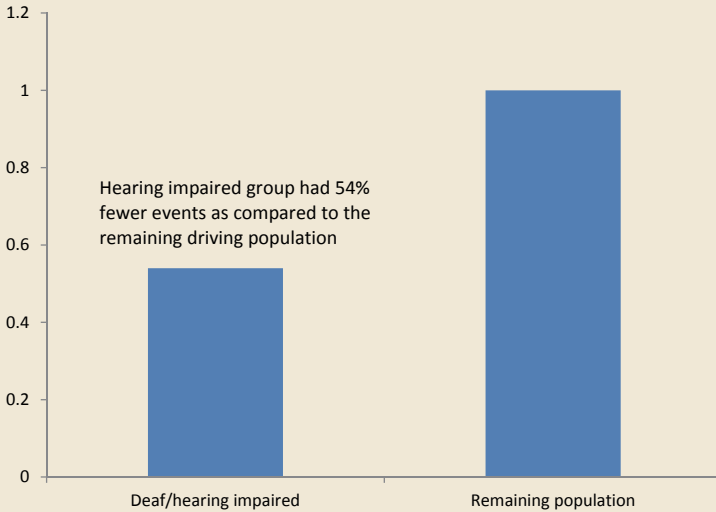
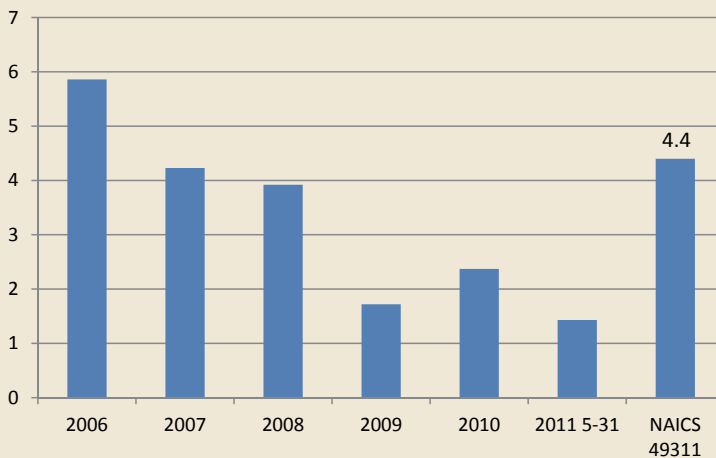


Figure 7

Anderson DART History for NAICS Code 49311



ing a lift truck as an opportunity from which they may have been excluded in previous employment situations. They perceive being safe and accident-free as a way to protect their status as a lift driver. The management team also hypothesized that deaf drivers are not distracted by additional noise and, therefore, can concentrate more fully on the task at hand, which leads to improved safety performance. With the data in hand, the Walgreens team can now speak to other companies wanting to emulate the inclusion programs and report that the statistics support opening lift driving jobs to people with hearing impairments or who are deaf.

Other Safety Performance Metrics

The Walgreens Supply Chain and Logistics Division examines both its safety metrics and workers' compensation results when evaluating the success of safety efforts. The Anderson DC has the longest-

tenure employees with disabilities and, therefore, the largest amount of relevant data, which is why its safety and workers' compensation data were selected for detailed analysis. The Anderson DC also has one of the lowest days-away-restricted-transfer (DART) rates in the division. Its rate ranged from 3.92 to 2.37 for the 3 complete years during the data analysis period (Figure 7). In comparison, the industry average for NAICS Code 49311 for 2009 was 4.4 (BLS, 2010).

Anderson's performance can be attributed to the building's technology, strong safety culture and a management commitment that includes a daily focus on safety issues and incidents. Building and populating a new distribution center allowed the group to set the tone and expectations for safety before the doors opened, rather than having to counter a safety culture already in place that may be resistant to a focus on safety best practices.

Next, the team examined workers' compensation claims by employee disability disclosure status. The findings indicate that costs incurred by team members with disabilities were significantly lower than those incurred by team members who had not disclosed a disability (Figure 8).

These data covered 110 claims for the 32-month period. In the team's opinion, the claim frequency and cost severity were significant enough to present a good, representative data set. Several conclusions are drawn from these data, including that employees with disclosed disabilities incur:

- costs for medical treatment that are 67% less than the contrasting population;
- costs for indemnity/time off that are 73% less than the contrasting population;
- expense costs that are 77% less than the contrasting population.

The number of workplace injuries that occur was also examined (Figure 9). The raw numbers of less-serious injuries (cases that do not result in days away or restricted duty) are higher than expected for the employee population with disclosed disabilities. The team believes this is because these employees tend to follow the rules exactly as stated and report any injury, no matter how minor. This includes superficial cuts and scratches, and minor aches and pains associated with ergonomic exposures from job duties. However, on-site human resources and medical management professionals refer the employee for off-site medical care if at all in doubt.

In addition, the higher frequency of minor injuries does not translate into an increased frequency of serious lost-time or restricted-duty cases. The data did not indicate any correlation toward frequency converting into severity in the DART injury/illness category for employees who had disclosed a disability.

The lost-day average per case for employees who had disclosed a disability was 40% less than for the rest of the population (Figure 10, p. 70). Employees with disabilities are likely motivated to get back to work promptly because of the respect they receive in the work environment and the sense of accomplishments their jobs impart. Since many of these

employees have never held a job before, its importance to them cannot be overstated. However, in all cases, employees are counseled on an appropriate return-to-work date based on medical factors.

Putting the Right Support in Place

Experienced professional and management support have contributed to this division-wide success. Staff support is needed at both the division and building level. The support system includes:

- Manager, Outreach and Employee Services. This is a division-level leadership position with ultimate authority for achieving division hiring and retention goals for employees with disabilities.

- Human resources manager. This building-level position ensures compliance and maintains records for all employees, regardless of disability status.

- Career outreach coordinator. This individual provides support to employees with disabilities and managers who need assistance in managing their employees with disabilities.

- Safety process manager. This building-level safety manager is responsible for safety training of all employees, regardless of disability status.

- Function manager. This is the Walgreens term for a first-line supervisor. As such, the function manager is responsible for the daily supervision of assigned hourly employees, including those who have disabilities.

- Medical management professional. This person provides first-aid services, injury-prevention training and ergonomic assessment to all employees as needed. At many DCs, this position is filled by a certified athletic trainer who has extensive training in proper body mechanics and injury avoidance.

- Other outreach professionals. These professionals offer expertise in implementing job accommodations and targeted training for employees with disabilities.

- External job coaches. These outside agency employees provide initial candidate screening and training services. They also suggest recommendations regarding when specific candidates with disabilities may be ready to be hired. These personnel also provide ongoing retraining or new training as the employee may transfer or be required to master new skills.

Each team member plays a unique role and brings an important perspective to the work of creating and managing an inclusive workforce. But, it is also helpful to note that this process is best done in ways that mesh with a company's culture. As with

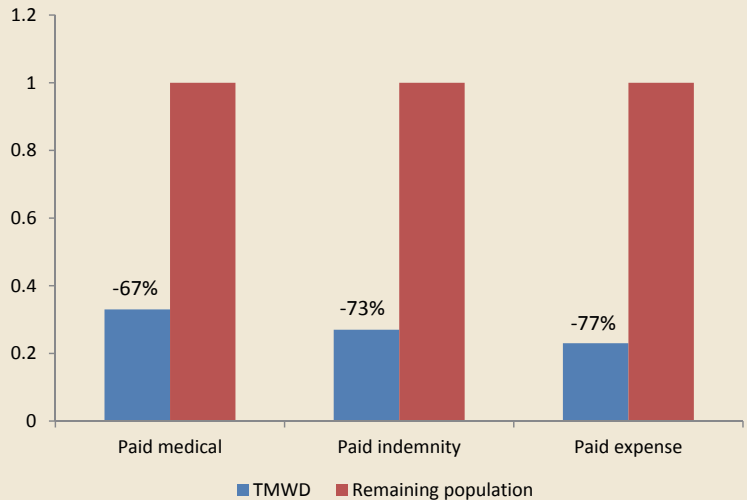
any safety effort, support from senior management is irreplaceable; beyond that, many support staffing configurations are possible.

Management Issues

For employees with disabilities, having their immediate supervisor's support is particularly important, especially for those new to the workplace.

Figure 8

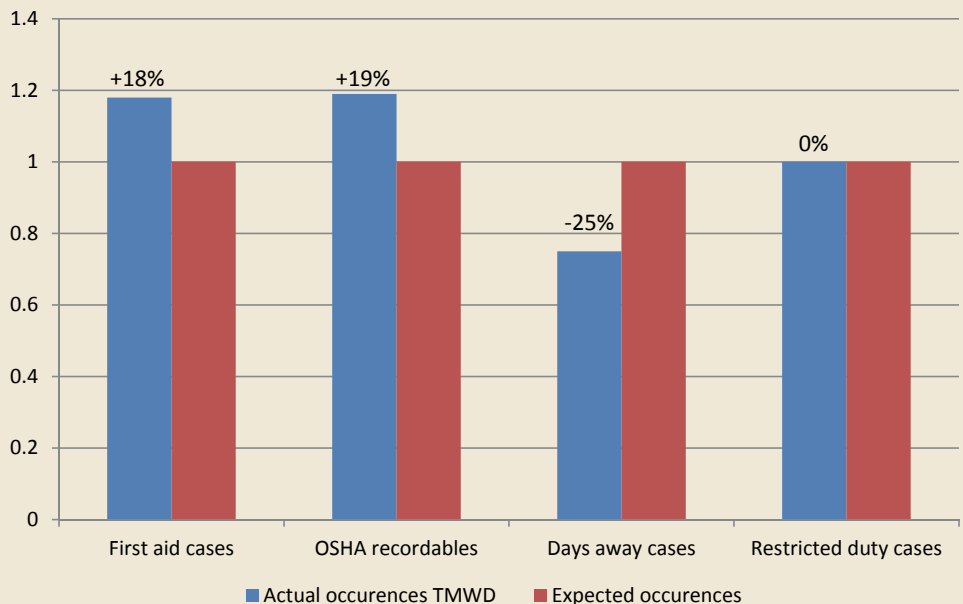
Relative WC Costs per Case



Note. Relative workers' compensation costs per case, Anderson DC, January 2008 to August 2010.

Figure 9

Relative Injury Type by Population (Actual vs. Expected)



Walgreens management assigns employees to work various jobs and shifts according to their skills and business needs. Accordingly, employees with disabilities may be found in all shifts and all departments, so all supervisors must be prepared to work with employees with varied abilities and skills.

Health Insurance Portability and Accountability Act rules prevent the company from disclosing specific medical information to supervisors about the employees on their shift, so management decided the best policy was to train all managers about dealing with people who have a wide range of abilities. To accomplish this, supervisors attended a university-sponsored training program designed to help teachers work with students with autism. An in-house training program that focuses on a variety of conditions, not just autism, was developed later as well.

The Walgreens team has learned about various high-tech tools for accommodating the needs of employees with disabilities. For example, devices such as tablet computers or wireless paired devices such as UbiDuo can be helpful in communicating with people who have difficulties speaking or hearing because they can type or write to express themselves.

However, low-tech materials such as dry-erase boards and even pencil and paper often work just as well and have become more widely used throughout the DCs than their high-tech counterparts.

Many managers also have found it helpful to learn some American Sign Language, and it is not uncommon to see supervisors using simple sign language words and phrases on the DC floor to communicate with various employees. In some buildings, each day's management start-up meeting highlights a "sign of the day" as an easy, low-key way to share this information for those managers who choose to do so.

In addition, the Walgreens team learned the basics of respect. For example, the term "people with disabilities" is preferred to "disabled people" because it puts the person first, not the disability. The team also received instruction on etiquette, such as how to make appropriate eye contact with a person with a disability such as autism and how a standing person should converse with a person who uses a wheelchair (e.g., for anything more than a quick hello, find a chair so both parties can avoid craning their necks). By addressing these points openly and encouraging managers and other employees to ask

Agent of Change: Making the Business Case for Inclusion

By Randy Lewis

As the senior vice president of supply chain and logistics at Walgreens Co., business success means a lot to me. But, over the years, I've realized that kind of success is only part of the story. What we do as corporate citizens matters just as much.

Ever since my son was diagnosed with autism in 1995, I've worried about him. How will he spend his days after "aging out" of the school system? Will any company ever hire him? Ironically, I began heading up the Supply Chain and Logistics Division around the same time as the diagnosis. I wanted to become a more inclusive employer but was timid because I didn't want to seem to be putting my personal life ahead of my professional responsibilities.

Gradually, it dawned on me that personal passion and business success can coexist. When it came time to build a new state-of-the-art distribution center in Anderson, SC, my presentation to the Walgreens board was relatively simple: Our new DC will be our most expensive and it will provide the best return we've ever had on any capital investment. And, by the way, we hope to create an integrated work environment and staff

it so that one-third of the employees will be people with disabilities. Same standards, same pay, side-by-side.

When board members asked what would happen if business were adversely affected, I assured them we would adjust the percentage of employees with a disability until we met our performance goals. The Anderson DC opened in 2007, so we're coming up on 5 years of operational and safety data. The results have been all that I hoped they would be. In comparing the worker population with disabilities to the one without [see main article for details], the workers with disabilities have amassed records that show greater retention, equal productivity and equal safety.

Although we don't advertise how successful our inclusive workforce has been, I am frequently called upon to speak about this effort, and I always emphasize that any company can do what we did. Visitors see our extensive automation and touch-screens everywhere and think what we did must have been overwhelmingly expensive. True, the new building itself was a huge capital outlay, but our biggest surprise was that nearly all necessary accommodations cost less

than \$25. Any company can afford that. All that's needed is the internal commitment to make this change.

We started with the goal of changing the work environment but discovered we were the ones who were changed—in dramatic and wonderful ways. We can all be fully human in our DCs as we realize we're not very different from our coworkers who have disabilities. We all have strengths and weaknesses and we can all do a productive, meaningful job. I see how much these jobs mean to the employees with a disability, who have perhaps never been given a chance before, and I realize how much we have in common underneath whatever surface differences may exist.

I am not alone. We all feel that way in the Walgreens DCs, and that's what gives meaning to our whole culture, where we welcome everyone who can do the job. We're willing to help them get there, all while meeting our business goals. I can't stress enough that every company can do this if they have the will.

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any questions freely, the company has created a culture in which respect for people of all abilities has become ingrained.

Another aspect of Walgreens culture that has become vital in creating an inclusive workforce is its reliance on the observe, coach and reinforce (OCR) method throughout all its DCs. OCR is a simple tool to help companies manage complicated processes safely. The method, which essentially is a formalized way for supervisors to have regular, predictable interactions about safety, consists of six steps for changing unsafe behaviors in the workplace:

- 1) Prepare for observation.
- 2) Assess the behavior.
- 3) Provide feedback.
- 4) Allow the employee to respond.
- 5) Summarize for the employee.
- 6) Reinforce and recognize desirable behaviors.

With experience, this process becomes distilled to the three crucial functions in the OCR acronym and can be completed in less than 5 minutes. The standard policy throughout the Logistics Division is for each supervisor to perform OCRs on two employees per shift. Management at the Anderson DC has increased this requirement to three OCRs per supervisor per shift. This regular reinforcement and one-on-one time is particularly important for people who may have limited cognition or memory challenges, and it benefits all employees by rooting out unsafe behaviors before they can become established.

Conclusion

Since 2007, the population of employees with disabilities at the Walgreens Anderson DC has consistently been shown to be as efficient and as safe as the general workforce. The company was prepared to spend large sums of money on workplace accommodations for employees with disabilities, yet nearly all necessary accommodations have been extremely modest in scope.

Since building the Anderson DC, Walgreens has also built a comparable facility in Windsor, CT, that most recently recorded more than 40% of its workforce with a disclosed disability. All safety-related data from this facility have been comparable to those from Anderson.

To date, more than 100 companies have visited the newest DCs to study a culture that has so completely integrated employees with disabilities into the general population, and to assess what might be necessary to institute similar programs into their own operations.

In particular, the decision to permit all qualified employees to occupy the safety-critical position of lift-truck driver has generated outside interest. After carefully researching the regulatory environment, the company

decided that whether an employee is deaf or hearing impaired should not be the sole determinant of whether s/he is permitted to drive a lift truck. This decision, and a willingness to accommodate communications needs and adapt—not dilute—drivers' safety training when needed has yielded a devoted core of skilled lift-truck drivers who also happen to be deaf or hearing impaired.

The authors wish to stress that the opportunity to build new facilities with state-of-the-art equipment was helpful but not necessary in creating the inclusive workforce the division now enjoys. In fact, each of the division's 21 facilities now employs multiple people with disabilities. The division's ultimate goal is to have 20% of its employees be people with a disability—the newest buildings will exceed this goal, but even the oldest building will continue to add more employees with disabilities.

A welcome surprise has been that the process of ensuring that the needs of workers with disabilities are met has resulted in management, equipment and work-culture improvements that benefit the entire workforce, regardless of disability status. Unambiguous policies, clear language and flexible training options all contribute to a culture where safety is valued and expected for all employees. **PS**

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More Information on Inclusion

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