

Positive Distraction Workforce
By Meredith May

Stanford Social Innovation Review
Spring 2011

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Habitat International has grown its bottom line using a largely disabled workforce **BY MEREDITH MAY**

IT WAS AN IMPORTANT DAY at Habitat International Inc. in Chattanooga, Tenn. Factory workers, who manufacture indoor and outdoor grass carpet for putting greens and patios, were expecting some bigwigs. A group of 60 from Walgreens Co. was on its way to unlock Habitat's management secrets. How did leaders cultivate a workforce with practically no turnover or absenteeism, with such skill that there never was a back order and the defect rate was less than half a percent? What's more, the company's profits rose every year for the past decade, even during the recession.

The visitors were ushered into a workplace humming with music, its walls covered with floor-to-ceiling murals and steel animal sculptures. There were basketball courts, fishponds, a dance floor, and pinball machines. Habitat CEO David Morris, rebel-with-a-cause businessman and college dropout, singled out a few employees to meet the group. "Everybody, this is Jimmy. Jimmy is a schizophrenic," said Morris, causing an uncomfortable gasp in the crowd. "No David! No, this is all wrong!" Jimmy interjected. "I'm a *paranoid* schizophrenic," he said, looking out at his audience. "But right now I'm OK and I'm not going to jump on any of you." In an instant, the visitors learned they were not in the "regular" business world anymore. They were on Habitat's turf.

Between 70 percent and 80 percent of Habitat's employees have some sort of mental or physical disability, or what Morris calls a "positive distraction." Among the 50 employees, there are workers with Down syndrome, autism, paranoia, cerebral palsy, brain injury, and various undefined disorders. Some are formerly homeless, others are recovering alcoholics. Habitat takes no government subsidies or tax benefits for its special workforce. There is no social worker on staff, no caseworkers, no nurses. When changes are needed, everyone works together to find solutions. Morris installed an in-house radio station for workers to gain confidence on the microphone, showers for the occasional personal hygiene accident, and a schedule of dance parties and drum circles.

Once, when a bipolar worker became suicidal, Morris came up with a unique, but risky, way to get him to stop whispering wishes to kill himself. "I asked him to come outside with me and I handed him a shovel and told him to dig. When he asked why, I told him that if he wanted suicide so bad, I'd help dig his grave and bury him," Morris says. The employee threw his shovel down, ran back in the building, and made an announcement—alerting all co-workers never to say they want to take their life, because David will bury them alive.

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Michael Clark has been an employee of Habitat since 2000. The company has practically no turnover or absenteeism.

Morris knows how far to go, because he gets to know his workers as closely as he does his own relatives. Many stay for decades in their job. "To a typical businessperson, Habitat blows a fuse in their mind," Morris says. "It's important to us and to me, who is a little eccentric, to have fun at life. We spend so much of our life at work, we should make it like a family and have drum therapy and dancing and art on the walls. Why not?"

GROWTH THROUGH RISK

Morris's philosophy seems to be working. Since he started Habitat with his father out of a small storefront in 1981, the company has grown into an 80,000-square-foot plant that produces 12,000 synthetic grass carpets a day. Production has branched out, and workers are now also assembling and gluing corrugated pallets. Annual

sales are \$7 million, and major retailers such as Home Depot, Lowe's, and Orchard Supply Hardware carry Habitat products.

As word of his exceptional workforce spread through magazines, a spot on CNN, and the book *Able! How One Company's Disabled Workforce Became the Key to Their Extraordinary Success*, Morris has become a mentor to other companies and entrepreneurs. Two business college textbooks use Habitat as an example of alternative hiring. Morris, along with Oprah Winfrey and actor Christopher Reeve, are profiled in the book *The Heart of America: Ten Core Values That Make Our Country Great*.

"Dave is the real deal," says Randy Lewis, senior vice president of supply chain and logistics for Walgreens. "When we met with David and his folks at his plant in 2007, we experienced the future—or at least what we hope the future to be: a place where the burdens and gifts of life that each of us bears have nothing to do with our 'worthiness.' We saw lives changed. More important, we saw how our lives would be changed, too." Shortly after the visit, Walgreens opened a new distribution center in Anderson, S.C. More than 40 percent of the 700 new hires are disabled, all chosen by a boss who has cerebral palsy.

At first, Morris was reticent to hire anyone with a disability. Growing up in Chattanooga, he knew several people who worked at nonprofits serving the mentally and physically challenged, and they encouraged him to offer jobs. He might not have done it if it hadn't been for his relationship with a former sister-in-law, who has Down syndrome. He remembered teaching her small tasks, such as making the bed or washing the dishes, and watching her self-esteem rise. Each time she rose to her potential, he gave her slightly more intricate tasks.

So when one of the most persistent charities asked Morris to accept eight workers with mental retardation in 1993, Morris said yes. But they came with a job coach and a special program. They didn't mesh well with the rest of the group, because the employees looked at the newcomers as less than equal. "We moved away from having a middleman," Morris says. "It's better for people to come in as real employees with real pay and real jobs. Otherwise, it's defeating the purpose, which is to treat people as people. There's no charity involved here."

Habitat workers earn competitive wages—\$10 to \$20 an hour, compared with the \$1 to \$2 given through many state and federal programs. Absenteeism is practically nonexistent, and there's very little turnover. Every employee is cross-trained on all plant tasks, from running the press to loading the trucks and gluing foam pad to the undersides of golf driving mats.

After working the kinks out, including dropping his second largest customer after hearing its management team twice make disparaging remarks about his workers, Morris discovered something. Differently abled workers have creative solutions to business problems that are often superior to the tried-and-true methods. One worker, who is deaf and cannot read, learned to sense vibrations in a particularly temperamental strapping machine that was prone to

SUPPORTING A DISABLED WORKFORCE

Provide disabled workers similar pay scales to other employees

Provide workers artistic spaces to create and socialize

Offer vocational training to neighboring special education students

breakdown, costing Habitat hundreds of dollars a month to repair. Now that he can feel an upcoming mechanical problem before it happens, he makes a slight tweak. Today, the machine rarely fails. Once, when another employee with Down syndrome was running a 25-ton press, Morris got nervous because he wasn't folding the carpets correctly. Morris tried to correct the worker, but a speech impediment made their conversation difficult, and Morris didn't understand what he was trying to say. It was only afterward that Morris realized the worker had come up with a novel folding technique

that enabled him to double his output.

"The biggest disability disabled people have is you and me," Morris says. "Most people with supposed disabilities know they are able, they are just waiting for the opportunity to show you and me and the rest of the world."

MORE THAN A PAYCHECK

Sometimes having the best intentions is not enough. A handful of times, Morris has let workers go because they didn't adapt to the job. He remembers one autistic employee who was so unresponsive, after weeks of trying to engage him by tossing balls for him to catch, there was nothing to do but send him home. Failure also comes when employers try to emulate what Morris does, but for the wrong reasons. Morris has seen big retailers, seeking to improve their bottom line, hire the disabled at subminimum wage, only to foster a segregated workforce that eventually fractures.

"Some do it to meet ADA [Americans with Disabilities Act] standards, or to get the tax breaks, or to look like a socially responsible company," Morris says. "These same companies will make large donations to nonprofits, so the charities are walking a fine line between keeping their donations coming and standing up for the rights of people with disabilities."

Forklift driver Martin Arney, 35, would rather lose some of his government benefits if he can replace them with a real paycheck. "This place encourages me to keep going," says Arney, who was told by doctors that his cerebral palsy would one day prevent him from walking. "I don't want to be a couch potato my whole life and draw an SSI check. I'm too proud to take handouts like that."

Arney has been with Habitat for 14 years. One of the main reasons he stays is that he feels safe surrounded by familiar faces. "I've been made fun of my whole life, but those kinds of things don't happen here. If someone makes fun of someone, then we all sit together and talk to that person and correct them," he says.

Sharon Adams has spent the last 21 of her 46 years rolling, cutting, and gluing carpet at Habitat. She lives with her parents, and she was at first introverted and shy. Adams is now the go-to person to train new employees, is typically the first on the dance floor at celebrations, and has earned the nickname Cinderella for her stunning Halloween costume. "It's like a family," she says. "The people here make me laugh and smile and we tell a lot of jokes. I have a lot of friends here." ■