

Update: March 2010

Unemployment Update

Controlling Unemployment Costs – The Hiring Process

The Hiring Process

The hiring process can have a significant impact on unemployment costs. Following “Best Practices” to ensure employers have the “right personnel fit” and properly handling documents during Onboarding is essential. In many cases this is the first line of defense in effectively controlling unemployment costs.

Hiring an individual that is not well suited for a position may ultimately lead to a discharge because they lack the ability to successfully perform job duties. If an employee files for unemployment, they could be awarded benefits, resulting in potentially avoidable charges against the employer. In the event of a discharge for failure to follow company policies, an employer must be able to prove the employee knew of and acknowledged the policy being violated.

Reviewing the Application

Perform a careful review of the job application. Some general considerations include:

- Does the applicant’s work and educational experience meet the requirements of the position?
- Was a reference check performed?
- Are there any unexplained breaks in employment history?
- Are the reasons for leaving past jobs clear?

Testing Skills

The importance of testing applicant skills cannot be underestimated. If a job requires specific skills, develop a way to test these skills prior to hiring. Be sure the tests administered are valid and represent the actual content of the job. All tests should be uniformly given to all individuals applying for a position. The hiring organization is responsible for determining the applicant’s abilities and qualifications before providing a job offer.

Conducting the Interview

In the interview the employer should ask probing questions associated with the job requirements, and request detailed responses. The goal is to evaluate whether the applicant is capable of, and willing to, perform the job being filled.

Obtaining a Signed Copy of the Employee Handbook

In spite of best efforts to find the perfect match, a company may still be in the position of defending against an unemployment claim. When this happens, there is certain documentation essential for proving a case. Regardless of what policies are in place, it is the responsibility of the employer to prove the claimant acknowledged these policies. This can be particularly difficult for employers to prove when policies change over time. As policies are updated and modified, a process should be established to ensure regular employee communication and acknowledgements.

All employers must make sure to have an employee handbook. It is imperative that all new employees receive a copy and sign an acknowledgment which confirms they have received the handbook, understand the policies, and have agreed to abide by these policies.

For more information regarding how TALX helps employers control their unemployment costs, contact Pete Krieshok at (314) 214-7325 or pkrieshok@talx.com.