

Update: October 2010

Unemployment Update

Measuring Unemployment Success

Costs relating to unemployment compensation continue to rise and employers are constantly trying to determine if they have done everything they can to keep these costs to an absolute minimum. We all know many unemployment claims are beyond our control, involving such issues as “lack of work” and “inability to perform the job”. As the economy continues to struggle, no one has any interest in denying benefits to individuals who become unemployed through no fault of their own. When gauging the success of the claims management aspect of your unemployment cost control efforts, you should be asking yourself two questions:

Are you pursuing as many contestable issues as you possibly can?

Contestable issues would include employee separations relating to voluntary resignations or discharges for cause involving willful misconduct. If a significant number of contestable issues are not being pursued or the percentage has dropped in the most recent month, quarter or year, it is important to determine why. Is it because claim forms are sitting somewhere until it is too late to respond to the state? Is your Human Resources department being provided with the details to be able to prove deliberate misconduct? Are claims being managed in a consistent manner throughout your organization? Do you have a single location or manager that has simply elected not to pursue contestable claims? Missed opportunities relating to any one of the issues mentioned above could dramatically impact unemployment costs in a negative manner.

Are you winning a high percentage of the claims you are contesting?

If the answer is no or if your percentage of wins has slipped when making periodic comparisons, it is critical that you uncover the reason(s) this is happening. Are there certain issues that you are having difficulty in defending? Rather than simply looking at a combined win percentage on all contested claims, it is important to be able to break things down and focus on specific issues. You may be winning a high percentage of contested claims in relation to voluntary resignations, while not faring quite so well when pursuing claims relating to discharges for cause. Maybe you are only having trouble winning protests made on a specific type of discharge separation. Your claim activity needs to be reviewed in this kind of detail.

It's also important to compare results between locations and departments. Identifying individuals that need additional training provides you with an opportunity to increase the consistency of your process and reduce your costs. Identifying managers that already get exceptional results is just as important because they can help uncover “best practices” that can be implemented throughout your organization.

Pursuing and winning as many contestable issues as possible are the key ingredients for keeping your unemployment costs to the absolute minimum possible. Consistently measuring ongoing success can ensure no opportunities are missed. TALX's experience, expertise, and proven results help employers navigate the uncertainty of the unemployment insurance system. For additional information regarding this article or other proactive unemployment cost management techniques, please visit our corporate blog at <http://blog.talx.com/> or contact Pete Krieshok at 314-214-7325, or by e-mail at pkrieshok@talx.com.