

# HIRING LONG-TERM UNEMPLOYED

AN OFFICIAL CLIENT UPDATE OF PT HEADHUNTER INDONESIA



Since 2024 until the beginning of 2025, problems related to layoffs have continued to occur. Various factors have forced companies to make efficiency decisions. Even highly experienced workers with decades of service can be laid off. On the other hand, prospective employees who have signed an offer letter and already resigned from their current company got cancellation of their job offers from the company that already gave them an offer letter or contract and leaving newly resigned candidates unemployed.

This event has increased the number of job seekers. These job seekers are classified into:

1. Fresh graduates who have not yet found a job,
2. People who already have experience and have been laid off recently,
3. and people who have been laid off in the past but are still having difficulty finding work until now.

However, what will be discussed in this article is group number 3, namely people who have been laid off for a long time but have not yet found a job until now. They are included in the long-term unemployed group. According to Forbes, The United States Bureau of Labor Statistics defines long-term unemployment as jobless for 27 weeks or more.

## PT HEADHUNTER INDONESIA

### HEAD OFFICE

MENARA PALMA, 12TH FLOOR  
JL HR RASUNA SAID KAV X-2 NO.6  
JAKARTA 12950 - INDONESIA  
TEL: +62 21 2939 1284  
FAX: +62 21 2939 1222

### SURABAYA OFFICE

PAKUWON CENTER, 23RD FLOOR  
JL EMBONG MALANG NO.1-5  
SURABAYA 60261 - INDONESIA  
TEL: +62 31 6000 3367  
FAX: +62 31 6000 3105

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## There are several concerns that make companies refuse to hire long-term unemployed:

1. If they have good skills, why haven't they been rehired yet?

If the average employer assumes that long-term unemployed people should have been hired if their skills were good, it is unsurprising that long-term unemployed people eventually find it difficult to get jobs. Most employers feel that candidates who are still working are more attractive. This is for several reasons, such as those who are currently working are still exposed to the skills they have, so it's easier for them to adapt if they work at the employer's company. Also, their professional networks are still relevant and readily accessible, and they are generally perceived as people who easily integrate with new people or teams and corporate culture.

2. Outdated skills

Employers assume that their long-term unemployed skills are outdated. According to the Washington Post, there is no difference in the performance of long-term unemployed who are eventually hired by employers with existing workers from other places who move to the employer's company. In fact, only a few existing workers learn new skills in the workplace, while those who are unemployed develop themselves and learn new things through courses, learning trending technologies, or other things that add to their skills during their unemployment period.

3. Stigma from Employers

Van Horn, the director of the Heldrich Center for Workforce Development, said that unemployed people are stuck in a rut due to "employment scarring," the longer someone goes without a job, the harder it is to get a job. Employers think that there is something wrong when someone loses their job. In fact, in some cases, the long-term unemployed have done nothing wrong; they are just impacted by the changing economic condition that has caused many companies to close their companies or decide to do layoffs/efficiencies.

Some of the reasons above are reasonable, so the question arises, "What are the potential benefits for companies that choose to hire

long-term unemployed people?" According to Deloitte's Handbook for Employer, "A guide to recruiting and hiring the long-term unemployed", **companies be advantages from hiring unemployed people, such as:**

1. Increases access to quality & access to diverse talent

A study of 20,000 sales and service workers shows that long-term unemployed have slightly better performance than short-term unemployed regarding schedule compliance. Other studies also state that long-term unemployed are reliable and more loyal workers, so this can increase retention rates. Based on this fact, the bad stigma associated with long-term unemployed can be broken if the employer chooses skilled long-term unemployed. In addition, long-term unemployment does not only consist of a certain generation, especially those affected by layoffs. This allows companies to meet various talents with various backgrounds of experience and skills so that employers have more choices in deciding who is suitable to hire.

2. Build company's brand

A survey of consumers revealed that 85% considered if a brand has a positive impact in supporting local communities when they make purchase decisions. This includes job creation for the community, improving the surrounding infrastructure, and other positive things beyond the quality of the brand's product. Providing employment opportunities to the long-term unemployed means that the company is empowering the skills of the surrounding community. In conclusion, empowering local economies makes you a business of choice, enhancing the company's business reputation.

3. Reduces recruiting cost

Suppose the company is open to hiring long-term unemployed. In that case, the number of incoming talent pools will be significant, so employers' hiring costs will be reduced and efficient.

The implementation of hiring for long-term unemployed occurs in the US. The government and many well-known companies, such as P&G, KPMG, Bank of America, etc. support this program. One of the things that P&G did was change their screening and advertising practices by directly stating that "*qualified unemployed*

individuals will not be disadvantaged solely based on their unemployment status". KPMG collaborates with talent channels such as community colleges, American job centers, and non-profits to focus on hiring long-term unemployed. Bank of America also launched a Career Resource Center for long-term unemployed job seekers.

The example mentioned is the result of cooperation between the government and companies to agree to help the long-term unemployed, which, of course, requires many processes to go through, especially since this program is a national scale program for the US. This proves that hiring long-term unemployed does not need to be feared, and the stigma against long-term unemployed can be reduced if the company is prepared and has the proper recruitment method.

### **The simple practices that companies can carry out to avoid risks that can occur during the process of hiring unemployed people are:**

- Conduct in-depth interviews

Conduct in-depth interviews, and it is better to do offline or face-to-face interviews. Ask what activities the candidate did while unemployed to identify their skills and get to know whether the skills are still relevant.

- Identify the candidate's skills and motivations

Identify whether the long-term unemployed candidates are still updated with the current industry. This will indicate how enthusiastic the candidate is to return to work. If the candidate you want to hire is in a sales position, you, as an employer, can also find out what efforts the long-term unemployed have made to maintain communication with their old clients/customers. If they do not keep due to conditions that do not allow, ask what they will do to open the door to invite new customers again.

- Conduct an assessment

Employers can identify candidate suitability by conducting an assessment to find out the character and potential of the candidate if they later work in the company. In this way, employers can minimize turnover and place candidates in the right position in the company.

- Background check and references

Employers can ask candidates to provide references that can be contacted, such as their former superiors or former subordinates of the candidate. In addition, employers can also conduct background checks to minimize unwanted incidents such as fraud, toxic individuals, and other things that can risk and negatively impact the company's good image.

## **Conclusion**

Companies should not be afraid to hire long-term unemployed people. As long as a clear recruitment process is carried out, companies can minimize the negative risks that can occur. In addition, companies need to eliminate the negative stigma against those who have not worked for a long time/not yet hired. Besides, if companies are open and provide opportunities for long-term unemployed people to work, they can expand the talent pool and find talented people from diverse backgrounds. With the various talents available, companies can develop their business with various ideas from future talents.

WRITTEN BY ROCHMAH SRI LESTARI  
DESIGNED BY SHABRINA SEPTIANDINI



**ROCHMAH SRI LESTARI**

*Talent Acquisition Executive  
PT Headhunter Indonesia*