

Northwest Workforce Council

POLICY AND PROCEDURE DIRECTIVES

DATE ISSUED: July 23, 2001

SUBJECT: Private Employment Agencies

REFERENCE #: WIA 01-17

Background: Numerous private-for-profit employment agencies exist within this Workforce Development Area. These businesses charge a fee for the placement of clients into jobs with registered employers. In most instances the fee is paid by the employee-client although sometimes the hiring employer agrees to either pay the fee directly or reimburse the employee after some period of successful performance on the job. These organizations provide a service to both job seekers and employers by matching appropriate skilled, fully job-ready candidates to specifications required by employer-clients. Their mission, although similar to the of the Northwest Workforce Council, is different in that training opportunities are not the objective. In light of the above legislative prohibition some area of potential conflict may arise.

Policy Statement: No applicant or registrant may be enrolled into an On-the-Job Training activity where the applicant or participant has been referred to the potential employer by a private employment agency which charges a fee for such a placement service. A participant's acceptance of a job offer obtained through this type of referral shall be considered a placement into unsubsidized employment and result in the termination of the registrant from the Workforce Investment act (WIA) program.

Discussion: Although WIA program registrants cannot be prohibited or prevented from utilizing the services of private employment agencies, it is essential that they be made aware of how these organizations work and the associated costs. It is also essential that participants are informed that any job which is found through this type of referral is not appropriate for On-the-Job Training. Similarly, private employment agencies cannot be prevented from providing placement services to WIA program participants. Because these agencies are screening and referring only fully job-ready candidates to employee-clients, On-the-Job Training is neither necessary nor appropriate. Enactment of this policy in no way alters the way these agencies do business or their capacity to attract employers or job candidates.