



Outplacement: Investment or Expense?

“Breaking up is hard to do, especially when you are facing having to lay off employees. Providing a soft landing for departing employees is not only the right thing to do, but is also a strategic business investment with future big payoffs.”

*-John Daugherty, President & CEO
Career Partners International Kansas City*

According to a Wall Street Journal article, more than two-thirds of surveyed U.S. companies with layoffs offered outplacement services.

What are the benefits of investing in outplacement services?

- Safeguarding your company's brand and reputation
- Helping former employees re-employ quicker
- Attracting future talent and retaining high performers
- Nurturing and maintaining positive morale among remaining employees

WHAT DOES A HEALTHY OUTPLACEMENT PROGRAM LOOK LIKE?

The best outplacement services offer personal, strategic help. "Most employees don't make a career of changing jobs, and they are usually ill-prepared and uncomfortable in the process," says John Daugherty, President of Career Partners International – Kansas City. Valuable programs begin with developing a strategic transition plan which identifies and targets future goals. Many employees find the opportunity to dream about their future or explore new fields to be liberating, not terrifying. A program should also provide support with soft skills, such as interviewing and negotiating, as well as hands-on help with writing a career marketing strategy.

In addition to personal guidance, outplacement firms should offer technology to give clients access to online resources like e-Learning, research databases and other resources. Employees usually gain access to online seminars, workshops and coaching for a specified period of time from just a few months up to a year.

Programs for executives should not only provide a deeper level of personal coaching but extras such as an Executive Agent (similar to a "sports agent") or on-boarding support to help the newly hired executive during the first 90 days in their new position.

Programs for mid-level executives or clerical workers should provide one-on-one meetings with a personal coach. Really good programs allow for building customized programs in alignment with the employee's unique circumstances.

SAFEGUARD YOUR COMPANY'S BRAND REPUTATION AND BOTTOM LINE.

Building a healthy brand is expensive; safeguarding the brand by providing outplacement services is cost effective. Negative chatter about your company by former employees obviously can't be controlled; however, by providing a successful transition experience, you can ratchet down the unconstructive comments generated by former employees. Displaced workers are also consumers who influence the purchasing decisions of their friends and family either by word of mouth or online. Instead of creating hundreds of new brand loyalists for your competitor, you can keep these dedicated brand enthusiasts on your side of the aisle.

FASTER RE-EMPLOYMENT, LOWER COSTS

Employees who choose to engage with outplacement assistance will find themselves back in the workforce quicker, which ultimately helps lower costs...and keeps them from languishing on your company's health care plan. Keeping an amicable relationship with a former employee will also reduce the risk of future litigation. "When they are talking to career consultants, they are generally not talking to lawyers," said Daugherty. "The cost of outplacement services is much smaller than the cost of a lawsuit."

ATTRACTING FUTURE TALENT AND RETAINING HIGH PERFORMERS

Ironically, having a strategy to help departing employees can actually help you recruit new ones, keeping your recruiting costs in check. With such a cyclical

economy, there is a strong correlation between how a company treats its departing employees and its future ability to attract and retain top talent, which is especially important when the economy turns around.

Just because an employee has left the building, doesn't mean he or she will not be an advocate for you in the future.

Outplacement,
if done correctly,
can give your
organization a
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In a recent survey, over 30% of new hires are referred by employees or alumni. Outplacement, if done correctly, can give your organization a competitive advantage. By engaging with alumni, those positive relationships can boost your recruiting efforts.

KEEPING POSITIVE MORALE WITH REMAINING EMPLOYEES

Treating transitioning employees with respect, care, honesty and dignity shapes not only how your customers view your company, but also sends a message to current employees that they too can expect to be valued in the organization. Numerous studies have supported the fact that employees who witness their friends and peers go through quality outplacement services view the company more positively even if the downsizing circumstances are ugly. Just as important are the stories that the newly transitioned are going to tell their friends, family, and your customers. Happy employees are productive employees after all.

At a time when budgets are tight, it's tempting to skip offering outplacement services. If you view outplacement services as a strategic investment, your company will see the benefits even years later.

John Daugherty is President & CEO of Career Partners International Kansas City. They help companies plan their outplacement programs, prepare management for the separation process, help manage the transition onsite and deliver quality, valuable outplacement services. He can be reached at 913.322.0618 or jdaugherty@cpikc.com