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# Transform to Perform

From Outplacement to Active Placement:  
A New Approach to Supporting Employees in Transition

**BY GREG SIMPSON**



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# This is what change looks like now.

In December 2016, IBM CEO Ginni Rometty wrote a commentary in USA TODAY to outline her company's plans to hire 25,000 new people over the next four years to augment Big Blue's capacity in cloud computing and data science, while also spending more than \$1 billion in training and development for its U.S. workforce.

At the same time, however, the company acknowledged that an equal or greater number of current employees would likely be laid off. In shedding some existing workers and hiring others, Rometty said she was fulfilling her company's critical need for "new collar" workers and skills.

Try to imagine what that would look like in your organization: the simultaneous hiring and firing of tens of thousands of employees.

Obviously, change of that magnitude and pace will spark fear, stress and profound disruption. But despite all the negative consequences, this kind and pace of change is inescapable.

To survive in the current business environment—one dominated by globalization, robotics, automation and other forms of digital disruption—all organizations must be willing to undertake radical transformations of their workforces. The consequences of not embracing and executing change are pretty dire.

A half-century ago, the five-year failure rate for public companies was one in 20; today, it's one in three<sup>1</sup>. That means over the next five years, one in three public companies will simply cease to exist. Many other venerable companies that at one time or another dominated their sectors will also collapse.

The velocity at which business organizations are failing is merely a reflection of the speed at which the world is changing, in almost every imaginable way.

Chatbots are replacing human call centers. Robots are replacing assembly line workers. Renewable energy sources are quickly overtaking traditional non-renewable energy. New and younger generations of employees are rising to leadership positions. The office is becoming more diverse in terms of culture, gender and age.

<sup>1</sup>Boston Consulting Group

At the epicenter of these and other manifestations of change are the employees. They must be mentored, coached, trained, developed and, on occasion, moved out of an organization to make way for those “new collar” workers that Rometty referenced. The need to constantly reimagine and transform your workforce is as inevitable as change itself.

However, transforming your workforce is easier said than done. If it is approached in a haphazard manner, it can totally disrupt the culture of an organization, distracting employees and scuttling their productivity. Even worse, a poorly executed transformation can ruin an employer’s brand and make it difficult to attract and retain top talent.

In the past, outplacement services have played an important role in helping organizations manage workforce transformations to produce the best possible outcomes for both employer and employee.

Outplacement typically refers to a broad array of support services provided to employees in transition. The outplacement industry was built on the premise that employers have a moral, strategic and, sometimes, legal obligation to support employees in transition. The big question facing many employers: What kind of support should they provide?

The outplacement industry has, for the most part, retained many of its proven values and methodologies. Peer networking, honing interview and resumé skills, and job search techniques remain as relevant and valuable as ever.

Given that no industry is immune to change, however, the outplacement industry has undergone its own profound evolution in recent years.



New thinking and strategies have emerged, in large part driven by the digital revolution. One of the most significant changes has been a proliferation of firms offering virtual services. This has moved the industry away from personal, face-to-face interactions, in favor of a one-size-fits-all virtual approach that focuses on moving displaced workers into new jobs as quickly as possible.

Is virtual career transition a better approach? It can be a good fit in some situations, but most people prefer face-to-face, human interaction with coaches and peers. Even Millennials, who interact daily with virtual and remote technologies, often express the highest demand for in-office transition services.

But what if the outplacement industry has been taking the wrong approach to innovation? Is the industry spending too much time and effort on the debate between in-person and virtual service delivery?

What if the next great iteration of outplacement services is not found in how the support is delivered, but rather by building new ways to connect non-working talent with the best available jobs?

What if we could completely reimagine outplacement services to create a forum where non-working talent is put into direct contact with talent acquisition and hiring managers to build new and impactful relationships?

It's time to stop thinking 'outplacement,' and start focusing on 'active placement.'



# The Evolution from Outplacement to Active Placement

At a recent Lee Hecht Harrison focus group session in New York City, a number of former transition candidates from Fortune 500 companies were asked to describe their experiences and reflect on the value of the outplacement services they received while looking for a new job.

Not surprisingly, all noted that the first few weeks of transition were an emotional, overwhelming experience. They talked about the frustration of not knowing where to look for their next job and wondering if they would ever make a good fit in another organization.

When they were asked to envision a better approach, almost all of the candidates agreed that they would have preferred their outplacement partner to not only provide job search advice and training, but also actively work to find leads for new jobs.

They all strongly agreed that having an outplacement firm aligned to actively place candidates in new jobs would not only shorten the time to landing, but also alleviate much of the stress and strain of the transition experience. That assistance was something they felt would also reflect very positively on their former employers.



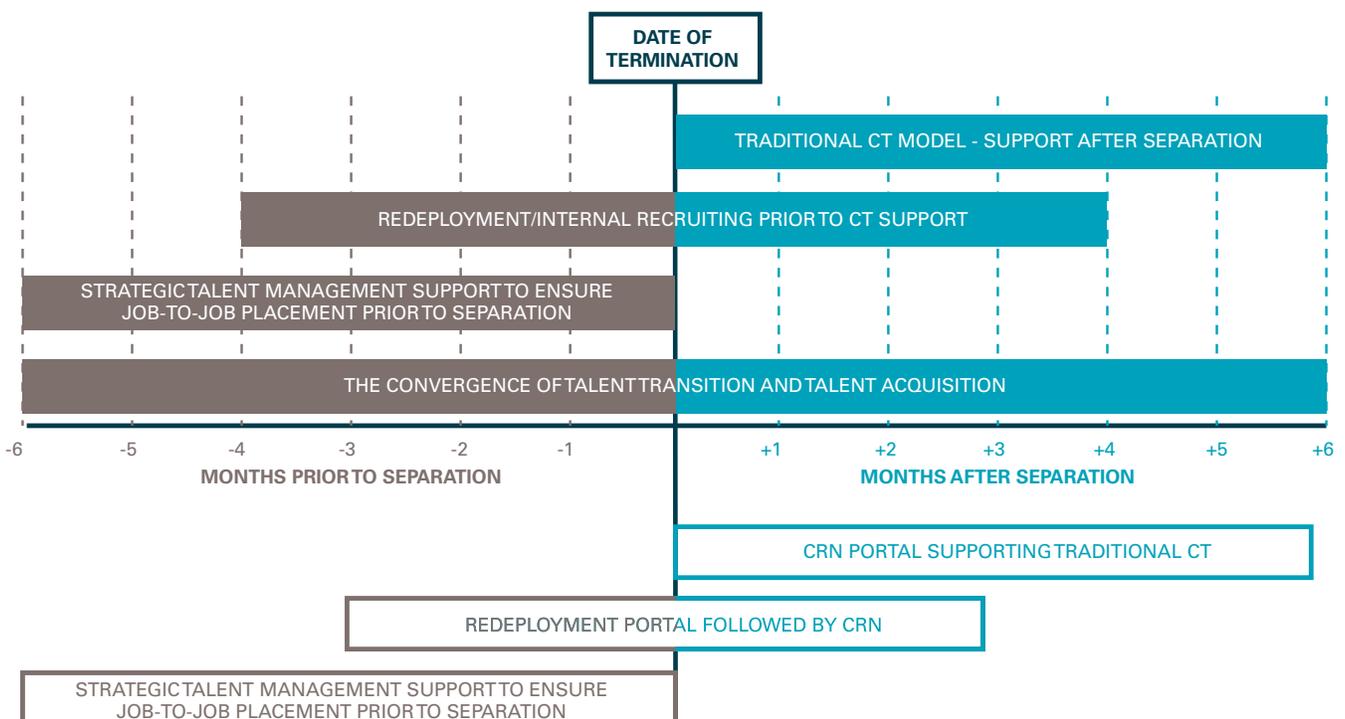
## This feedback is at the heart of the next great iteration in outplacement services.

Historically, outplacement has been focused on providing services after the individual's last day of work. In this model of service delivery, outplacement firms acted as coach and guide after separation, providing assistance with resumés, interview preparation and uncovering job leads. This kind of support has helped non-working talent find jobs faster than if they were searching on their own.

Over the past three years, however, Lee Hecht Harrison has witnessed some progressive employers adopt a more strategic view of outplacement.

These organizations are breaking with the old paradigm of only providing services after the employee's last day. Instead, they have started providing support before the termination date to redeploy talent within the organization and, in some cases, into business partners, reducing severance and recruitment costs. For individuals who aren't redeployed, providing career transition support before termination gives them a sense of control and reduces the time they are unemployed. These organizations have taken the bold step of creating a more agile workforce that is better prepared for the changes that lie ahead. These employers have undertaken these changes to strengthen their employer brands and reduce risk as they go through the often-painful process of workforce transformation.

### THE FUTURE OF CAREER TRANSITION: PROVIDING SUPPORT BEFORE TERMINATION



As organizations address the need to transform their workforces, talent has become an increasingly difficult commodity to find and attract. Today, the best talent acquisition professionals are looking to tap directly into the most reliable sources of talent to find candidates with the right skills and the right cultural fit. This imperative, combined with the growing popularity of in-house talent acquisition and fueled in large part by the effectiveness of social media platforms such as LinkedIn, allows employers to reach out directly to potential recruits.

This is where active placement comes in. Rather than just providing passive support and skills, outplacement firms need to become a more direct and active participant in bringing non-working talent together with talent acquisition managers, hiring managers and recruiters to identify new job opportunities. Outplacement firms will now take responsibility for marketing valuable candidates that, through no fault of their own, found themselves out of a job.

Numerous employer surveys confirm that there is less stigma around being unemployed now than ever before. Hiring managers understand that many extremely talented individuals lose their jobs simply because of changing business needs. An active placement process will require the outplacement firm to work directly on connecting non-working talent with other organizations hungry for a new and broader pool of talent.

This does not mean feeding non-working talent an endless stream of leads from an online job board. It also does not mean plugging non-working talent into a virtual platform and then leaving them to their own devices.



Outplacement firms need to maintain a personal relationship with individuals in order to understand them as real people. Outplacement firms will also need to build knowledge and expertise around the categories of work that exist beyond traditional full-time employment. Active placement partners need to be fluent in the gig economy and other alternative relationships with employers.

Active placement partners must also start to think differently about the pathway between non-working talent and the next great job. The evolution from outplacement to active placement requires the adoption of a talent acquisition sensibility.

Talent acquisition professionals do not think or operate like traditional recruiters. They are engaged in longer-term relationships to source future talent. The outplacement industry needs to adopt a talent acquisition mindset and apply it to the front end of the transition process.

In this new model, outplacement firms will hire talent acquisition professionals to work closely with hiring organizations to identify future talent needs. These “talent promoters” will search within the pool of non-working talent that has come into contact with the outplacement firm, and then make recommendations to in-house talent acquisition managers.

The evolution to an active placement process will also see the creation of “Digital Talent Exchanges,” where transition candidates can market themselves to outside hiring organizations. Talent promoters can also use the digital footprint established in the talent exchange to help connect candidates with prospective employers.

Active placement will still require individuals to seek career development opportunities while they are in transition. As the skills required for a particular job change, candidates must continue to actively seek education and certification opportunities.

Ultimately, an active placement approach will change the way outplacement firms are evaluated. It will no longer be enough just to show an employer that a former employee has landed a new job within a promised landing time. Firms will have to show that they helped these individuals find a job that is as good or better than the one they had, both in terms of career satisfaction and compensation.



# Landing Data: What It Tells Us About the State of the Outplacement Industry

In the outplacement industry, landing data is one of the most important tools used to determine how long a program should last and what features should be included in that program.

And yet, in recent years, landing data has started to eclipse other equally important aspects of the outplacement process. For many organizations, it has become the central focus for procurement, prompting outplacement firms to make increasingly ambitious claims about how little time it takes to find a new job for an employee in transition.

The end result of this trend is hardly surprising: both established firms and newcomers are embroiled in a race to the bottom, trying to outbid each other on how little time they need to find someone a new job.

The hard reality of the outplacement world is that basic landing data is not always as meaningful as some firms would have you believe. In fact, the length of time it takes to find someone a new job is only one of many metrics to assess the overall value of a program. And in some instances, it is not the most important metric.

How can you spot clean and reliable landing data, and how can you use it to build a truly effective outplacement program? These questions can only be answered by looking deeply into the whole idea of landing data and how it is applied in today's outplacement industry.



## The good, the bad and the ugly truth of landing data

There are two fundamental truths about landing data.

First, outplacement is absolutely effective in shortening the time it takes for someone to find a job. Long-term data is clear on this point: individuals who are thrown out into the job market on their own without outplacement support will take longer—often months longer—to find jobs.

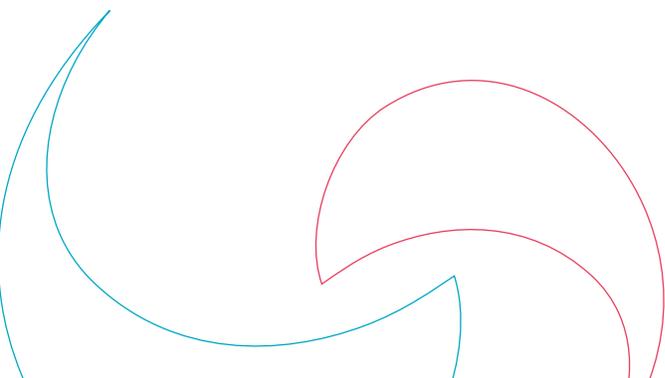
Good outplacement support helps individuals deal with the shock of losing one job and focus on the best practices that will help them find the next opportunity.

Second, many firms use landing data to demonstrate the effectiveness of their outplacement programs, but not all landing data is created equal. It has become customary to make bold promises of shortening the average time to landing, even though in many instances it is hard to collect reliable, clean data to back up those claims.

In essence, landing time should measure the period between termination and securing a new job. Capturing accurate data, however, is extremely challenging. As organizations shift to shorter outplacement programs, many individuals are unable to find a job within their program timeline. And far too often, those candidates that remain in transition are not used in the calculation of the overall “average” time to landing. Furthermore, once a program is complete, neither the former employer nor the outplacement firm has the capacity to track candidates anymore.

In other instances, candidates that do find new jobs within the program period are reluctant to share this information with either their former employer or the outplacement firm. This may be a reflection of privacy concerns or the estrangement that occurs between an individual employee and the organization that let them go. It may also be an attempt to avoid severance claw back provisions that kick in once someone has secured a new position.

Whether due to short program durations or lack of candidate disclosure on landing, landing data should not be used as the key metric for success of an outplacement program. Although it is an important factor, it is by no means the only metric that should be considered.



## What variables determine the length of time it takes to find someone a job?

When someone tells you that “on average” they can find someone a new job in eight weeks, what does that really mean?

Experienced outplacement providers will tell you that landing time depends on a number of variables.

- **What level of employee is affected?** The more senior the individual, the longer the landing time. This is due to a number of factors, including fewer jobs at more senior levels. It’s also a reflection of the fact that more senior-level employees have the financial means to be pickier about their next position. They don’t need to seize upon the first job opportunity that comes along.
- **What industry is affected?** Employment levels and opportunities fluctuate wildly between industries and even sectors within those industries. Based on current market conditions, someone in the financial services industry will have a better shot at finding another job quickly than someone working in the petroleum industry. It is impossible to express a global average time to landing without taking into account the current state of an industry.
- **Job function:** The exact job function held by an employee in transition is important for determining landing time. Highly specialized, very technical jobs could be harder to come by; someone with a broad range of skills and job experience could be easier to place. By the same token, depending on marketplace conditions and timing, someone in a highly specialized role could land quickly. Function and timing have a dramatic impact on landing time.
- **Geographic location:** If someone is let go in a geographic market that has been hard hit by economic conditions, it will obviously take longer to find a new job, particularly if staying in that same location is a priority. Average landing times do a poor job of reflecting geographic constraints.
- **Candidate skillset and reputation:** Candidates are not created equal and in today’s economy, downsizing and other events that trigger transition happen regardless of an individual’s experience, personal network and reputation. Not knowing where a candidate falls on this scale makes it difficult to predict landing time.

## Landing data is important, but it's not the only factor

Landing data is a valuable tool that can, when employed fairly and wisely, help an organization plan for an efficient and timely transition. However, landing data doesn't tell the full story.

Proper outplacement provides an organization with value on multiple fronts.

It can protect an organization's brand. Employees in transition who are treated fairly and given all the support and tools they need to find other jobs often speak well of their former employers. This ensures that existing talent and talent that has yet to be recruited, only hear good things about the way an organization treats its people.

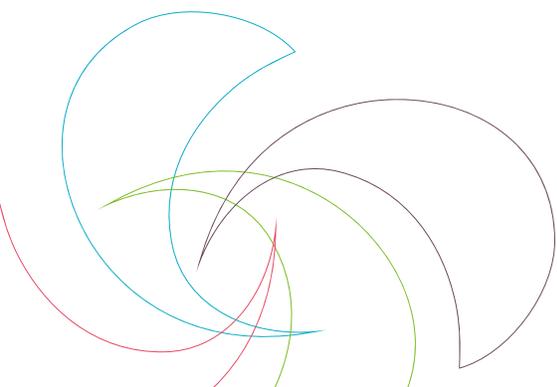
Effective outplacement can also ensure that remaining employees function without fear or anxiety. Engagement can suffer mightily if employees observe that former co-workers in transition are rushed through a thin, bare-bones transition program. Outplacement that is designed around the specific variables at play—level, function, location and industry—will provide great comfort to those who are left to continue doing the good work of the organization.

However, the opposite is also true. Ineffective outplacement programs that try to shoehorn employees into a one-size-fits-all program based primarily on an extremely short estimate of landing time can not only be a waste of money, but also lead to profound damage to an organization's brand and engagement of remaining employees.

Landing data is an important metric of the outplacement industry. It can certainly help guide the type and length of program needed for any specific group of employees.

If landing data is over-hyped and over-leveraged as a deliverable, however, it will only serve to point organizations in the wrong direction and ultimately waste their valuable resources.

The lesson here is to watch out for sales pitches that focus almost exclusively on landing data, or more specifically, on landing times. In many instances, there is a high likelihood that you will not get what you're paying for.



# Active Placement and the Enduring Importance of Personal Contact

Today, organizations of all sizes are forced to make rapid, strategic workforce changes. The skills necessary for success today are different than they were a year ago; and in a year's time, the skills equation will change again. That reality requires organizations to constantly transform their workforces as a matter of course. Unfortunately, although necessary and pragmatic, these changes can lead to the inadvertent shedding of legitimate talent. In the absence of mechanisms to redeploy talent within and between companies, organizations can waste truly talented employees.

This point may come as a shock to some in the industry, given that so many organizations claim that retaining and finding new top talent is one of their top human capital priorities. But the indiscriminate wasting of talent is a reality of the times in which we live.

Unfortunately, displaced talent is often left in a state of limbo, not sure why they were let go in the first place and unable to make a connection with other organizations seeking talent. Failure to manage transition in a positive and constructive way can turn those displaced employees into a formidable force that—using social media and other digital platforms—can inflict real damage to an organization's reputation.

By any measure, that is a scenario that involves great risk and, potentially, great waste of talent.

It also presents an enormous challenge to the outplacement industry. How do we help our clients plan for workforce change to ensure the right people are retained? At the same time, how can we help those same organizations tap into the growing pool of unemployed talent?

This tension between the need to hire and fire requires a more holistic approach to workforce management. What we need is a more pre-emptive and integrated approach to workforce transformation, where organizations plan ahead and, where possible, act prior to a termination date to shorten landing times and protect their brands.

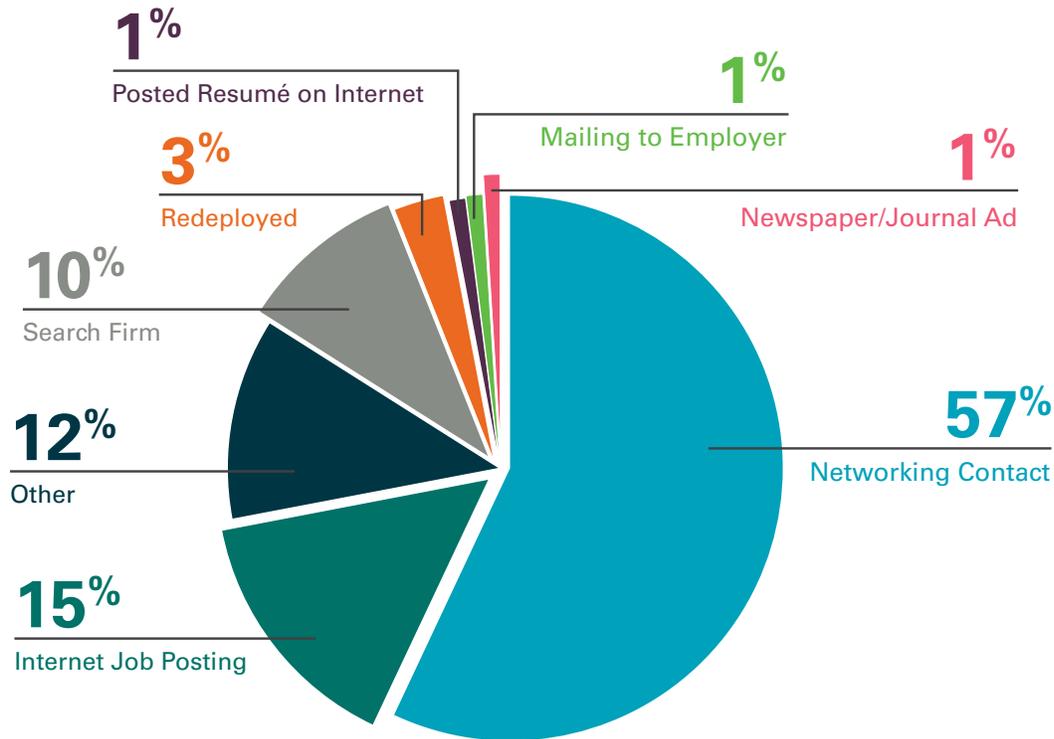
Of course, this is easier said than done. In fact, recent innovations in the outplacement industry have, in many instances, only served to move us further and further away from a pre-emptive approach.

As previously mentioned, there is increased focus on shrinking landing times by emphasizing technology—particularly online job postings and leads—while de-emphasizing the impact of experienced career coaching. This was done both to contain the costs of outplacement and to find the quickest and most direct path to re-employment.

If the industry has learned anything over that time, it is that there are limits to our ability to reduce landing time when we rely too much on online job postings. In almost every survey and study of landing times, it was found that candidates have, at most, a 15 percent chance of landing a job found via an online posting.



## HOW ARE JOB SEEKERS FINDING WORK?

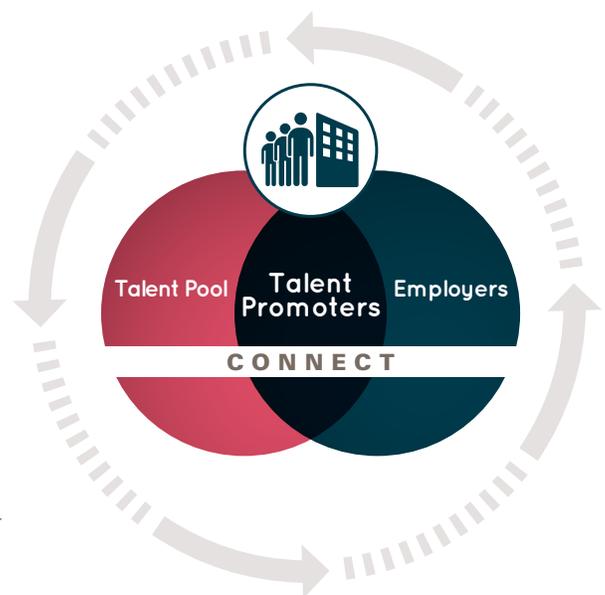


Source: Lee Hecht Harrison collected landing by job source data from 202,606 candidates from 2011 to 2016.

At first blush, this may seem like an anomaly. If you can get candidates in touch with hiring organizations quicker and easier using online technology, why wouldn't they be more successful in landing those jobs?

Outplacement firms have not been structured to promote and source talent. Traditionally, these firms have not spent much time documenting and sorting the skillsets of employees in transition because the actual placement was going to be done by someone else.

As noted previously, outplacement firms need their own talent promoters, professionals who can build a bridge between non-working talent and the talent acquisition managers of hiring organizations. This is someone who knows both the professional and personal attributes of individuals in transition and the unique requirements of the hiring organization. What's missing is a professional who realizes that 80 percent of jobs—including many of the very best jobs—are not posted online.



In other words, it's time for the outplacement world to step up and become an active participant in talent acquisition. What exactly would this entail? There are three key aspects to the development of this new outplacement approach:

**Outplacement firms must encourage hiring organizations to look more closely at non-working talent.** This could be a challenge for organizations that may still view non-working talent as inferior in some way. The outplacement firms must help these organizations change their mindset, to realize the wealth of opportunity that exists in a pool of non-working talent.

**Outplacement firms must actively recruit their own talent acquisition professionals to broker more effective job leads for non-working talent.** Although this seems like a no-brainer, there has been a firewall up between outplacement firms and talent acquisition. The reality of the modern labor market demands that outplacement firms develop direct relationships with the people that are out scouring for talent. This means building partnerships with talent acquisition professionals to help the organization acquire the tools and processes necessary to identify key skills and personal attributes of talent in transition.

**Convince organizations to start brokering non-working talent prior to termination date.** This approach represents the biggest change in mindset. Outplacement firms must work with their organizational clients to plan ahead for potential downsizing, ensuring that top talent is not inadvertently jettisoned. This will also ensure that both the organization and the outplacement firm have a more detailed picture of those people who may be terminated so that they can be brokered into a new job as quickly as possible. Again, all this should be done before anyone reaches a termination date.

Make no mistake—these three points represent a profound change in the focus of our industry. However, these changes should help organizations feel confident that they are not wasting true talent.



# Summary

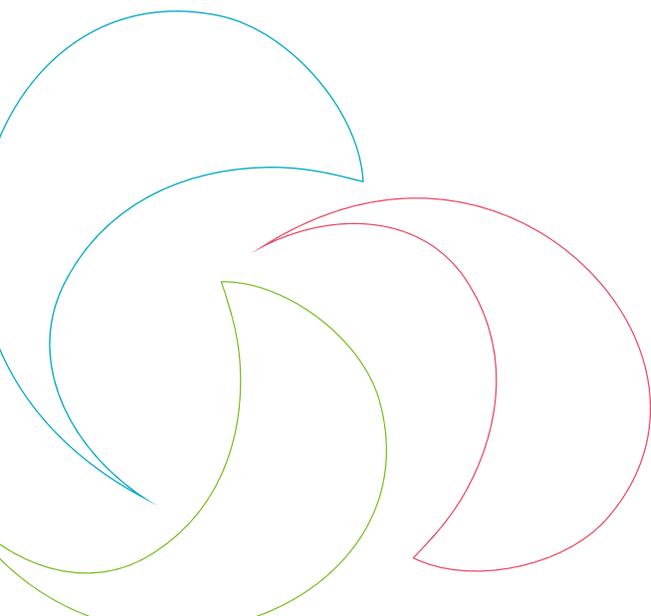
## Outplacement is no longer a bridge between jobs.

For individuals, outplacement should be a process through which they can transform and improve their working lives. The goal of outplacement firms must be not only to find the first available job for candidates; we must remain focused on finding the next rewarding career challenge for each person as a unique individual.

For organizations, outplacement must become a building block in a more comprehensive and effective talent management strategy. Job seekers in transition are a relatively untapped but highly motivated resource. Rather than viewing those in transition as individuals who are deficient or lacking in skills, organizations should start to view these people as untapped resources that can help stock their talent pipelines.

For outplacement firms, we must transform ourselves into strategic talent management partners, delivering enhanced value and responding to strategic business needs. Outplacement is not just about shortening the time to landing for a new job. It is an intricate process that seeks to preserve and even strengthen the employer brand by helping individuals in transition successfully deal with the upheaval of job loss while confidently moving on to the next career opportunity.

In our industry, we must always be mindful of time to landing, and we should make every effort to provide effective, efficient service to our client organizations. But the great value inherent in effective outplacement services comes from connecting people to better jobs, and thus building better lives. It's not just about doing it fast.



## About Greg Simpson

Greg Simpson is Senior Vice President, Career Transition Practice Leader for Lee Hecht Harrison. Greg is responsible for developing, disseminating and monitoring the direction of outplacement services for the world's largest career services firm. This includes identifying and articulating global trends while assisting in the development and implementation of the short- and long-term global strategy of the organization.

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## About Lee Hecht Harrison

Lee Hecht Harrison (LHH) ([www.lhh.com](http://www.lhh.com)) helps companies transform their leaders and workforce so they can accelerate performance.

In an era of continuous change, successfully transforming your workforce depends on how well companies and their people embrace, navigate, and lead change. Change within the organization, and their career. At Lee Hecht Harrison we use our expertise in talent development and transition to deliver tailored solutions that help our clients transform their leaders and workforce so they have the people and culture they need to evolve and grow. We are passionate about making a difference in peoples' careers and building better leaders so our clients can build a strong employer brand.

A division of The Adecco Group—the world's leading provider of workforce solutions—Lee Hecht Harrison's 4000 colleagues work with more than 7000 clients in over 60 countries around the world. We have the local expertise, global infrastructure, and industry leading technology and analytics required to manage the complexity associated with executing critical talent and workforce initiatives, reducing brand and operational risk. It's why 60% of Fortune 500 companies choose to work with us.