

# Best Practice Guide to Outplacement

Everything you need to know about outplacement  
and supporting your employees through redundancy



# The business case for providing outplacement support

Outplacement is a service offered to employees who have lost, or will be losing their job, to help them quickly find a new path. This may include a new role in the same or a different industry, retraining, retiring or starting a business. Services include career coaching, CV writing, interview preparation, skill development, referrals to hiring managers and targeted job leads. The service is paid for by employers but provided by independent providers who work directly and confidentially with employees.

Although most business leaders acknowledge that being **socially responsible** and “**doing the right thing**” are all valid aims, the rising pressure on budgets means leaders must present a robust commercial business case for all expenditure. The tangible benefits experienced by organisations as a result of offering career transition support are many and varied resulting in a compelling business case.

## Improved employee morale, motivation and productivity

Employees remaining with the organisation can be as profoundly impacted as those individuals who lose their jobs. Feelings of insecurity, anxiety and demotivation are common and can negatively impact performance, sickness absence and their opinion of the employer especially if they feel that there was inadequate support for those leaving.

Aberdeen Group research found that **63% of organisations** surveyed cited the desire to improve engagement and retention amongst existing employees as a driver of outplacement initiatives. The same research found that best-in-class companies are 2.5 times more likely to use outplacement services.

Findings by the Centre for Organisational Research (COR) showed that businesses using outplacement services, both productivity and profitability increased in the 12 months following downsizing, with staff turnover, sick days and lateness remaining consistent in the same 12-month period.

## Brand and reputation protection

Stories of poorly managed redundancies can and do spread rapidly on social media, quickly damaging the employer and customer brand. This could explain why **71% of participants** cited improving reputation and protecting the brand as the key driver for procuring outplacement. However, for the same reasons, positive experiences and opinions can also be shared at lightning speed with huge reach.

Providing genuinely useful help to employees going through career transition can therefore help to protect and even enhance the organisation’s brand and reputation.

## Attracting future talent and shortening the time to hire

We are in the midst of a skills shortage with organisations finding it harder to attract skilled workers, with almost three quarters of businesses struggling to make the hires they need in the face of fierce competition for scarce talent.

Aberdeen Group research shows that organisations with formal outplacement initiatives are **81% more likely to shorten the time** taken to fill key positions. They are 2.5 times more likely as those without outplacement programmes to indicate that this metric improved by 10% or more. Due to the faster rate at filling vacancies, these organisations are nearly **50% more likely to reduce the cost per hire**.

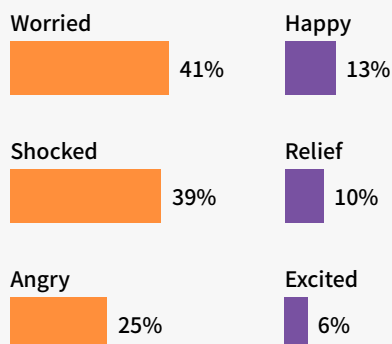


### Reduction in legal costs

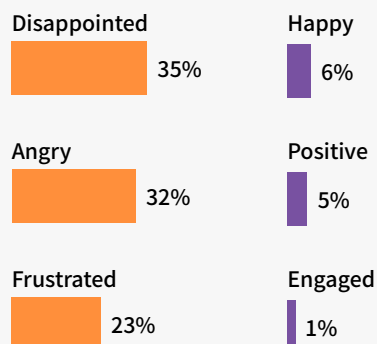
Providing career transition support helps minimise and avoid legal risk, a key driver cited by 12% of participants in a recent survey. A study by the Centre for Organisational Research found that **legal action reduced by 72%** amongst employers using outplacement services with their displaced staff.

With legal costs running into the tens of thousands per case, reducing the likelihood of legal action by providing career transition support makes sound financial sense. Outplacement support only represents a fraction of the overall cost of a redundancy package, yet is arguably the only part that offers a genuine return on investment.

#### How did you feel when your role was made redundant?



#### How did you feel about your employer when your role was made redundant?



LHH survey (2018)

#### Why do organisations provide outplacement support for their employees facing redundancy?

**90%**

say it's the right thing to do

**63%**

cite the desire to improve engagement and retention amongst existing employees

**71%**

say improving reputation and protecting the brand is the key driver

**12%**

say that minimising and avoiding legal risk is a reason to buy

LHH survey (2017)

# What good outplacement looks like

Key to good outplacement is providing a service that meets the needs of your affected employees. One of the biggest differences in providers is how innovative they are in terms of developing the content of the programmes they provide and the way the content is delivered. **Each redundancy experience is unique to that employee and outplacement support needs to reflect this.**

For example, at LHH we believe outplacement is no longer just about equipping individuals with the skills to find their next job, it's about proactively creating a strong CV and personal brand on social media and connecting them with their next job so that they transition faster and better.

For employees looking for a new job, LHH's outplacement programme provides a transformative experience that truly infuses our job seekers with a unique motivation and confidence to help them land better jobs and outcomes faster (other firms focus on any job, not a better job).

- ▶ **70% of candidates say the LHH service positively impacted their perceptions of their previous employer**
- ▶ **78% of candidates reported a better job – as measured by job satisfaction or better salary.**

## Traditional Outplacement

Limited or no job connections

Generic support with CVs

Outplacement portal with generic content and tools

No or limited skill development

Outplacement which is reactive and traditional

## LHH Outplacement

Proactive connections to relevant companies with open vacancies

Expert support in all aspects of personal branding to produce winning CV and social media profiles

AI-powered portal delivering a bespoke and personalised digital experience

LinkedIn Learning courses available to every individual to develop new skills to land better jobs

Highly qualified and certified global coaching pool, who utilise data & predictive analytics to proactively support every individual to land quickly with the best outcome

With this approach you can rest assured that every employee, regardless of location and level, will receive a bespoke service.

A good outplacement provider will be able to advise and recommend what type of programmes are available that best meet the objectives of the employees you are looking to support.

All outplacement candidates starting a LHH programme will have an onboarding session to identify their future goals which will enable us to shape our support to meet their needs.

Our specialist Career Consultants will ensure that candidates have access to the right resources and support they need to achieve the best outcome.

A good outplacement provider will be able to advise and recommend what type of programmes are available that best meet the objectives of the employee groups you're looking to support.



94% of all of our participants prefer a blended programme of support

# Outplacement provider checklist

Below is a checklist you can use to help evaluate different providers based on what's important to your business goals and your employees.

Service elements	Checklist	Provider 1	Provider 2	LHH
<p><b>Trust</b></p> <p>You need to be able to trust that the outplacement provider is able to deliver meaningful career support to your employees. It is your brand reputation that is at stake if employees do not feel supported or treated with dignity.</p>	<ul style="list-style-type: none"> <li>▶ Flexible virtual and in person delivery</li> <li>▶ Scalable outplacement delivery from individual solutions through to global redeployment</li> <li>▶ Proven track record of successfully supporting employees transition in their career</li> <li>▶ Extensive network of Career Consultants with a diverse range of experience to provide the candidates with the specific support they need</li> <li>▶ Ability to benchmark results, trends and outcomes across different sectors, industries and geographies</li> <li>▶ Award-winning outplacement programmes</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> <li>●</li> <li>●</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> <li>●</li> <li>●</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>
<p><b>Range of services</b></p> <p>Each redundancy experience is unique to that person and this needs to be reflected in the outplacement service that each employee receives. A good provider needs to be able to offer a range of resources that is accessible when your people need it and how they want to access it.</p>	<ul style="list-style-type: none"> <li>▶ Extensive mix of workshops and materials available for the variety of candidate needs</li> <li>▶ Breadth of Career Consultants who have worked in a variety of professions and industries</li> <li>▶ Job search work teams that help land a job 20% faster than those who do it alone</li> <li>▶ Virtual and in person career fairs</li> <li>▶ Exclusive specialist support for your most senior executives in dedicated discrete offices around the world</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> <li>●</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> <li>●</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>
<p><b>Innovation</b></p> <p>There is no one size fits all solution and outplacement providers need to demonstrate adaptability and flexibility to deliver comprehensive career transition solutions that meets the diverse range of needs for your employees.</p>	<ul style="list-style-type: none"> <li>▶ An AI powered digital career platform which provides daily job leads based on individual career goals</li> <li>▶ An intuitive online platform designed to match and connect candidates directly to 1000s of employers giving hiring managers first choice to an exclusive pool of job seekers</li> <li>▶ A personalised career portal that has a wealth of information including webinars, industry research, assessment tools, e-learning, blogs and more all</li> <li>▶ Talent connectors who actively bring together candidates and hiring managers</li> <li>▶ Branding experts that provide individuals with SEO optimised CVs</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> <li>●</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> <li>●</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>

# Cash vs. Outplacement

Will employees at risk of redundancy benefit more from receiving the cash equivalent to outplacement services rather than providing access to an outplacement programme?

We believe that the value derived by an outplacement programme is always higher than the cash equivalent, both for the departing employee and their employer. A company selling outplacement programmes would advise this, but it's precisely because we support tens of thousands of people a year when their roles have been made redundant and see first-hand the issues they face, that we know the cash equivalent is of limited use.

## 1. Think about the reasons why you offer outplacement support to your employees

Employers invest in outplacement because:

- ▶ it's the right thing to do
- ▶ it helps protect their brand image
- ▶ it may help manage the morale, motivation and productivity of both “surviving” and departing employees
- ▶ it can help reduce the legal risk
- ▶ of all or a combination of the above reasons.

Whatever the rationale, these benefits are only derived if the impacted employee is given the support, tools and expertise they need to be able to secure themselves the future that they want, whether that be securing a new role, retraining, retiring or setting up their own business. An employee that takes the short-term appeal of cash is still unemployed and with less tools at their disposal to build the future they want.

## 2. The importance of speed

We know that people using our outplacement programmes find new jobs on average **65% faster** than if they searched on their own. Without this focused support, your employees are likely to be in limbo for longer, increasing the chance of them developing and expressing negative feelings about your organisation.

## 3. Memory of cash fades as quickly as it is spent.

The job market is changing rapidly. Employees that have been out of job search mode for a while quickly realise how unprepared they are to secure a new role in the world of algorithm-based job boards, applicant tracking systems and immersive assessments. Many struggle to navigate their way through this maze and remain unemployed not through choice long after the cash has gone. At this point, many forget it was their choice not to take up the offer of outplacement support and their anger, blame and frustration towards your company grows and is shared amongst their networks, increasing the damage to your brand.

But it's not all about reducing risk. There are many positive benefits that organisations gain from offering outplacement support to their employees that cash equivalents simply do not deliver.



# Specialist support for senior leaders



There will be times when even your most senior executives are no longer needed in the organisation due to redundancy, changing business priorities, or changes in personal circumstances. Exiting business leaders gracefully is never an easy process. It can come with a number of risks that, if not handled well, can negatively impact the individual and the organisation. However, it can also present opportunities to both parties if handled in the right way.

## **Greater visibility means greater risk**

When senior executives leave an organisation due to changing business needs, there is often high visibility and scrutiny from clients, markets, and employees. If not handled well, the negative impact can be felt not just by the individual but across the entire organisation. The executive themselves can play a substantial role in the positive messages conveyed during an exit, and it is important that both the executive and the organisation are motivated to display change in a positive way both internally and externally.

Without due attention, making changes in senior leaders can quickly create feelings of unease and taint opinions of internal and external stakeholders. If departures give the remaining employees negative emotions and unfavourable views of their employer, they are unlikely to provide the extra effort and collective input organisations need to flourish in these competitive times.

## **Senior leaders need senior support**

It can take up to two years for a senior leader to secure their next role. That's a long time to develop negative feelings towards your organisation and be visible in the market, particularly without expert support. The requirements of senior executives, whatever path they choose for the future, are considerably more complex than just standard outplacement services. They are seeking specific, senior, often international roles that are less frequently open and not usually advertised. They might be at the stage where they will be considering a new and unfamiliar career path such as self-employment, advisory roles, board/NED roles, and trusteeships.

That's why at LHH our **International Centre for Executive Options (ICEO)** provides an unparalleled, boutique experience in which assessments, strategic advising, expert coaching, personal and leadership development, and our exclusive global connections are combined in a highly individualised offering to support the unique career pursuits of accomplished senior leaders. Our clients receive comprehensive support, resources and connections for all senior leader career options, including corporate leadership positions, private equity and venture capital roles, advisory work, starting or purchasing a business, alternative careers, board service, portfolio careers and active retirement.

#### **Unique experience for senior leaders**

ICEO delivers an unequivocally superior experience. Each ICEO candidate gets a dedicated, bespoke team of peer advisors, subject matter experts, mentors, alumni, industry specialists, friends of the business, and other resources as appropriate. At the centre of each personalised team is the ICEO Advisor, a trusted partner who brings extensive personal and business experience in partnering with senior leaders as they explore and pursue their career options.



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# Support for “survivors”

Many organisations support their employees directly impacted by redundancy with outplacement programmes. Understandably, the focus is on those exiting the business, yet it is the employees that remain, the “survivors”, that will be pivotal to the future success of the organisation. All too often, this group of employees do not receive the support they need to perform and thrive at a time which can prove to be disruptive.

“Survivor syndrome” is the term often used to describe the impact of redundancies on the remaining staff who kept their jobs. In the same way that people who have lost their jobs experience a range of emotions, so too do those that remain. If not properly managed and quickly addressed, these feelings can quickly lead to a spiralling dip in motivation, engagement and productivity. Leaders should take these steps to support the survivors.

## **Communicate, communicate and communicate some more**

Whether it’s sharing a clear vision of the future, clarifying the new business structure, roles and responsibilities or reconfirming how the change can bring long-term stability and growth, regular, honest and open communication is key. Without this, misinformation will spread, and the rumour mill will go into overdrive.

## **Acknowledge and allow for an emotional response**

We spend as much, if not more, time at work as we do at home so it’s normal for survivors to experience a range of emotions. Make it OK for people to talk and ask for help if they need it.

## **Offer external support**

Whether it’s counselling, an EAP programme or coaching, leaders can help ensure employees feel supported by making them fully aware of the services available, emphasising that it’s confidential and providing information on how to access the support on offer.

## **Offer employees training on managing change**

Giving employees the opportunity to explore and understand the emotions around change and learn tools and strategies for managing themselves and others during periods of change can really help morale and motivation.

## **Provide career development**

Post redundancies, employees need to understand their opportunities for future advancement and how their future career goals are aligned with those of the organisation. Without this understanding or belief, survivors may choose to pursue their career elsewhere at a time when you need them the most.

## **Support for managers delivering the news and managing the process**

One aspect of redundancies that often gets neglected is the impact the process has on the line managers. With the focus on the employee being impacted, the wellbeing of the managers having to work through one or many consultations, deliver the news and manage the after effects can take its toll. If left unmanaged there’s a risk of falling motivation and engagement, reduced productivity and diminished ability to lead their teams all of which negatively impacts the wider organisation. Leading organisations provide support, guidance and training to these managers before, during and after the redundancy process to ensure they’re fully supported and have the capability and skills needed to effectively lead themselves and their teams through the change.



“65% of employers surveyed reported that stress had increased among employees who have survived one or more redundancy programmes”

**IRS Employment Review**

## About LHH

At LHH, we exist to help people, teams and organisations find and prepare for what's next. Our end-to-end HR solutions future-proof organisations and careers all over the world. Through Advisory, Career Transition & Mobility, Learning & Development and Recruitment Solutions, we enable transformation, and our job is never done because there's always another tomorrow to prepare for.

We make a difference to everyone we work with, and we do it with local expertise, backed by global infrastructure and industry-leading technology. LHH's over 8,000 colleagues and coaches span 66 countries, working with more than 15,000 organizations, a majority of Fortune Global 500, and nearly 500,000 candidates each year. Together we address needs across the entire talent journey, helping organisations build their capabilities and individuals build brighter futures. There is a world of opportunity out there. Let's get to work.

LHH is a part of the Adecco Group, the world's leading talent advisory and solutions company, headquartered in Zurich, Switzerland.