

Why outplacement makes good business sense



When changed circumstances mean people leaving your organisation, providing appropriate career transition assistance is not only good policy but also good business.

What is career transition/ outplacement?

Outplacement is the process of facilitating a terminated employee's search for a new job by the provision of professional career transition services, paid for by the former employer.

Who uses career transition/ outplacement?

Most of the world's successful companies provide outplacement services for their people when changing business demands result in the need for different skills or a reduction in positions through restructure.

Why should your organisation spend money on career transition/outplacement?

Outplacement isn't simply about doing the right thing for the people who are no longer aligned to a role in your organisation.

Providing this support also sends the strong message to your people that you are a fair and responsible employer, thus mitigating the risk of losing talented people from the organisation. It demonstrates your corporate values and social responsibility.

It also sends a positive message to the community and potential employees.

If an individual feels they have been treated fairly and given career transition support, the chances of legal action or unfavourable comment about the company are often significantly reduced. It is important to remember that an ex-employee may ultimately work for a customer or competitor, or, through their comments have a real influence on the company's fortunes and reputation.



“...in the war for talent, it is simply not good business sense to excommunicate people no longer fitting the business...”

Partnering with an outplacement specialist will also provide the support and assistance to your management to professionally handle all the issues surrounding a restructure and help maintain a productive and positive environment.

Lastly, in the war for talent, it simply does not make good business sense to excommunicate people who no longer fit the business today. Better to have them as allies and friends and even potential reemployment candidates in the future if circumstances change.

What is involved in a typical outplacement situation?

All situations are somewhat different and outplacement programs need to be tailored to reflect that. There are however some common key elements

Individual perspective

People in transition have adaptive and technical needs. The technical work is necessary (such as building a personal marketing plan, developing resumes and working on networks), but not sufficient. It is the adaptive (behavioural) work that delivers the real success. It is this work which is effectively done on a one to one basis.

Job change creates uncertainty and anxiety. Support, counselling and practical help to best deal with a new set of circumstances is hugely important. The overt and background support mechanisms, infrastructure and perspectives, that are inherent while in a job, simply disappear.

“...an appropriate outplacement program can be delivered for less than one month’s employment cost...”



Career transition programs should deliver a 'right' outcome for each individual – not just 'any job'. This requires working individually with a dedicated Career Transition consultant to build insight, identify opportunities and develop resilience.

Program resources need to be tailored to the individual's role level. Materials and tools used for executives should recognise the complexity of work and thinking at that level.

Company perspective

The company needs to be sure that the investment in outplacement provides a return to the ex-employee and to the company.

It is important that the commercial decision to separate people from the business is handled sensitively and professionally, maintaining the dignity of all concerned - **working from the heart as well as the head.**

Consultant best-match and skills are critical to a positive outcome.

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Real life case studies

- A major white goods manufacturer going through structural change did not effectively communicate the situation to its employees. The unions seized the opportunity to create mischief, the rumour mill worked overtime and morale was at an all time low. Production levels dropped and quality was significantly affected resulting in a loss to the company of over \$50,000 a week. Once an outplacement firm was appointed the situation was explained and individuals understood how they would be supported. Processes and quality returned to normal.
- An oil company retrenched a number of people regionally without offering support. One outcome was a suicide, in a small country town, widely attributed to the deceased being 'dumped' by his former employer. The cost to the company could not be measured in dollars and cents but its reputation was by no means enhanced.
- A former employee of a major telecommunications company took cash instead of outplacement support. Two months later he approached the outplacement firm for help. This was too late as he had already flooded the marketplace with poor marketing materials. You only get one chance to make a first impression with a recruitment firm or a prospective employer.
- A large legal firm didn't offer support and the professional staff departing launched a joint action in the Industrial Relations Commission that was successful. They also approached the press, which did enormous damage to the firm's reputation.

Successful outcomes demand more than a 'process'. Flexibility and responsiveness to individual requirements are necessary skills for the Career Transition consultant.

Job Search is not a team sport! Tailored programs with a focus on the individual maximise achievement of success.

What does it cost, what is the value proposition?

Programs are tailored to the complexity and time required to achieve good outcomes at the level of the individual.

Quality x time = price

In general terms however an appropriate outplacement program can be delivered for less than one month's employment cost.

Companies often pay much higher recruitment fees. Ending a period of employment well should be budgeted for.

Companies should measure the investment and get regular feedback from their provider: How is their former employee progressing? What is their attitude to the company? What has been the impact of the people leaving on performance or morale? How well was the process handled? What has been the impact on the company's image, internally, with customers and in the wider community?

Who is Donington and how can we work with your organisation?

The Donington Group is a specialist in career management and outplacement. We have offices in every state of Australia and in New Zealand and through our international partners, offer services across the world.

Every Donington office offers the benefits of our highly experienced senior consultants, local market knowledge and the highest professional standards, technology and expertise to provide the best outcomes for individuals (our clients) and customer organisations.

We have a personal commitment to look after your people better and our best advertisements are the people that we work with during a transition period in their careers.

We aim to develop enduring relationships with both our clients and our customers that are based on delivering successful outcomes.

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