Outplacement 101: Your Guide to Employee Outplacement Services

Learn about outplacement services, how to select the right firm and effectively handle employee notifications

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"Outplacement Services Can Help Rebuild Your Organization"

OUTPLACEMENT TODAY: IT CAN WORK FOR YOU

YOUR CHALLENGE

You've been charged with coordinating a reduction in force for your company. You face a myriad of decisions to make and processes to execute. How you manage this assignment, including your selections and choices, directly impact:

- 1) the company's bottom line
- 2) the company's reputation and public image
- 3) the potential of lawsuits against the company
- 4) the morale and productivity of the remaining workers
- 5) the dignity of the displaced workers
- 6) the ability of the displaced workers to become re-employed quickly

OUTPLACEMENT AS A SERVICE

Outplacement is a service. It is a benefit that companies offer their displaced workers, often as part of a separation package that includes severance pay, vacation pay, health insurance coverage and other items.

Literally, outplacement means "placed out of the organization." Companies hire an outside firm to work with the displaced employees and help them become employed again quickly. Outplacement specialists are an external neutral force during an emotional time, when the displaced employee may have some anger and resentment toward their former employer. The outplacement professional's neutrality, compassion and expertise assist the employee in shifting their focus onward to the future versus staying rooted in the past.

HISTORY OF OUTPLACEMENT

Outplacement has been around for over 35 years. It began in New York in the late 1960's, when a human resources consulting firm was asked to assist executive managers who were being laid off. These managers needed to find new work, but had no skills in looking for work. They also didn't know how to type, answer their own phones, nor did they have office space. Additionally, they suffered psychologically from the trauma of being laid off. The full service outplacement industry was born.

For years, outplacement was a luxury, offered only to executive management. Firms provided an "office" to the unemployed managers; a place they could come to every morning. The familiar environment of an office, complete with secretarial support and a "job" to do, spurred them on to complete their job search. Along with all this support came a high price tag for companies who wanted to offer outplacement to their workers. Outplacement was a "perk," reserved for the top levels of management.

Fast forward to the new millennium. Outplacement today is a vastly different service. Consider what has changed:

Many of the services once provided have become obsolete with the advent of personal computers, voicemail and home offices. This, coupled with competition from sole practitioners and small outplacement firms, has caused the large outplacement organizations to scramble for business to cover their office overhead.