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Outplacement a valuable tool in worker cuts

Our economy seems to be facing another wave of layoffs. In these tough economic times, more and more companies are challenged to reduce costs and increase efficiencies. To cut costs, employers often begin by reducing headcount through attrition and reduction in force. Losing your job can be a traumatic experience. But most of it have been through it more than once.

Outplacement means offering counseling and assessment service for employees who have been terminated. While providing these services often can defuse anger, individuals also usually tend to find employment sooner than those who are not provided these services. These services can help these individuals to channel their energies into positive productivity during the transition period from one job to another.

When the time comes to announce staff reductions, management often finds that it has not established formal severance policies, procedures and outplacement programs. It is important that companies have relation-

ships with several outplacement services before they are needed. Since the approaches vary slightly between one outplacement company and another, it is in the best interest of the employer to have an understanding of the programs available and to have developed a rapport with the counselors.

Progressive organizations realize the importance for employees who are joining as well as leaving the company to have a positive experience. Many workers have begun to accept the realities of today's marketplace and see changes as a natural evolution in a person's career, similar to life cycles. Because of this, outplacement companies offer expanded services including counseling, individual assessment, career development and assistance to aspiring entrepreneurs.

As a career counselor, I interviewed a number of outplacement companies located in the San Bernardino area and the following is a summary of the discussions:

It is easier for management to

Corporate Perspective



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hear about people who have gone through it. They understand the levels of service, such as the fact that there are group meetings, versus individual meetings. So from a practical standpoint, the employer who is aware of outplacement is probably ahead in many ways.

For many companies, the individual services that are available at the executive and middle-management levels are the most appropriate. The real need is to provide a transition that's easy for someone to understand. People are looking at the quality of the assessment program, the quality of the counseling services and the quality of the search services.

understand the full scope of what outplacement services can provide if they talk to executives who have used them. They

When pricing outplacement services, some fairly standard components are included. The base cost for a full-service program generally is 15 percent of an executive's prior-year W-2 earnings. Depending on the length of service and level of services provided, the cost could range from \$1,500 to \$6,000.

Here are some tips for getting the most from an outplacement company:

- Bring the company into the loop as soon as the decision is made.

- Be sure the reason for the termination is made clear. When former employees don't understand why their employment has been severed, don't spend extra time explaining the decision.

- Schedule the meeting with the employee early in the week and introduce the outplacement processing and counselor immediately.

- Have the outplacement counselor meet the ex-worker at the worksite at the time of termination. Then there should be a few days allowed for the employee to unwind before actu-

al counseling begins.

Outplacement counselors help the employee focus on returning to the job market, restoring his/her self-confidence and helping the person chart the most effective strategy for the job search. Also assistance will be given in resume preparation, interview questions, salary negotiations, etc. Because of my coaching, a transitioning manager was able to receive a substantial sign-on bonus that he was not aware of.

Proactive employers that provide these type of services reduce the liabilities of wrongful termination suits as well as possible violence in the workplace. The displaced worker will view the company in a positive manner and also will help those employees who are kept on to empower themselves to get back into a productive state.

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