

INSIGHTS

THE BUSINESS CASE FOR OUTPLACEMENT

In today's business environment, change is inevitable and can result in some tough choices. Redundancy and redeployment can be a challenging and emotive time for the organization, the team who remains, and for affected individuals.

Commonly, organizations are forced to make redundancies to cut costs. Investing in outplacement support can, therefore, feel at odds with the organizational objective. However, the right support delivers benefits that far surpass the financial outlay. The business case is clear and includes:

An enhanced “psychological contract” across the organization

The psychological contract refers to the unwritten set of expectations of the employment relationship in addition to the formal contract of employment. Together, the psychological contract and the employment contract define the employer-employee relationship.

Companies that provide outplacement support as part of their redundancy program often find that it can lower the 'emotional temperature' across their organization. By fully supporting exiting employees, you can demonstrate both

to them, and to those who remain, that despite the current challenging circumstances you value them as employees and are committed to their wellbeing. For those remaining, it can be reassuring to know that if they find themselves in a similar situation, they are likely to receive the same support and consideration.

Maintain productivity and retention

Periods of change can sometimes result in poor productivity. Remaining employees are affected by uncertainty and become distracted, worrying about their future and that of the organization. A well-timed support program can provide a reassuring and focused place for addressing worries, so time at work can remain positive and productive.

Change naturally makes people feel anxious and unsettled, leading them to explore the external market.

Providing good career transition support, especially if there are some redeployment opportunities, helps you to retain skilled employees that are critical to future business success.

Outplacement can protect your reputation

A recent survey conducted by Working Transitions found that 52% of employees felt that their organization handled the initial stage of their workplace transition, 'Poorly' or 'Extremely Poorly' with 48% regarding the employer's communication during this period as 'Poor' or 'Very Poor'.

The human impact of workplace restructuring, particularly where there is no support provided, is often underestimated by employers but with the prevalence of social media and online review sites such as Glassdoor, it should not be taken lightly. Employer reputation is at stake!





“ Helping people to leave the organization well supports a good employer brand. ”

When you have a strong employer brand, you attract great people, innovative ideas, and more business for your organization. It may seem counter-intuitive but helping people to leave the organization well supports a good employer brand.

Reinforcing engagement at a difficult time

Individuals all react differently to change. Some employees may be relatively unfazed but for others, particularly long-serving employees, redundancy can initially appear catastrophic.

Typically, individuals faced with change undergo a rollercoaster of emotions from anxiety to denial to fear. Providing outplacement support can help individuals navigate this range of emotions and face the future with renewed focus and positivity.

Properly supporting employees as they move through outplacement demonstrates that, despite everything,

their service is valued and that supporting them into their next role or stage of life is important to you as an organization. This tangible evidence that their employer cares and values all employees sends a powerful message to those who remain.

Unexpected ROI in hiring costs

It might seem odd to state that investment in outplacement can positively impact hiring costs, but there is a real link. Often, when there are job losses, it's not uncommon for hiring to be going on at the same time, perhaps for new skills or teams. Restructuring is rarely just about redundancies, there can be a series of complex workforce planning and resourcing activities underway. Negative perceptions in both the internal and external candidate marketplace about how exiting employees were treated can be very damaging to critical recruitment campaigns and candidate attraction strategies. It's also not unknown for

organizations to seek to rehire those previously affected by redundancy. In all of these situations, the relatively small cost of providing outplacement support can pay significant long-term dividends that far outweigh the initial outlay.

Tangible measures that matter

The business case can often be more clearly established at the end of an outplacement project, which can be very helpful when similar situations arise in the future. A good provider will work with you to capture not just data about progress and outcomes but also comments and feedback from former employees which can be extremely reassuring and helpful in engaging and securing remaining workers through ongoing change.

Flexible and tailored support ensures cost effectiveness

Outplacement is not a one size fits all purchase, to obtain maximum ROI it's important to ensure that you provide truly flexible options that meet your organizational and employee needs. We understand that everyone responds differently to change and that their needs and circumstances will vary. Our approach is flexible, tailoring programs to meet the objectives of all stakeholders. This bespoke framework supports the organization's move forward and helps the individual to let go of the past, deal with the present, and embrace the future.

A well-structured outplacement program can quickly deliver benefits to a large number of employees, regardless of geographical location, at a relatively low cost and is always worth the investment.



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