

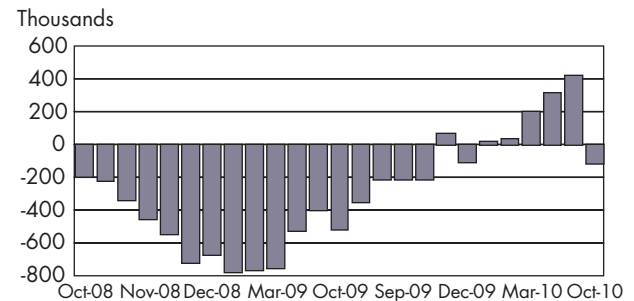
Outplacement and Social Responsibility

By: Pattie Wagoner, President and CEO

Organizations of virtually every type face an environment of continuous and accelerating change. A pervasive response to this experience has resulted in some form of downsizing. A recent international survey estimates that 90% of businesses have been affected by the current economic climate, citing decreasing revenue, downsizing and cut backs. The Bureau of Labor Statistics reports that downsizing has affected hundreds of organizations and an estimated 15 million workers since the official December 2007 onset of the current U.S. economic downturn. Accenture's 2010 High Performance Workforce Study noted that 65% of all U.S. employers have reduced the number of full-time employees. Of those respondents, 54% expect to rebuild their workforces to pre-recession levels within two years, while 41% do not expect to return their workforces to pre-recession sizes and 5% state they definitely will not return their workforces to pre-recession sizes. Downsizing refers to activities undertaken by management to improve the efficiency, productivity, and competitiveness of the organization by reducing the workforce size. Virtually every sector has engaged in downsizing over the last couple of years.

The number of organizations and jobs affected by downsizing has been staggering.

Nonfarm payroll employment over-the-month change, seasonally adjusted, Oct. 2008 - Oct. 2010.



Impact on The Labor Market.

The labor market today is in a permanent state of flux — shifting from production to services and from industry to information technologies — while at the same time buffering the effects of globalization and economic crisis. For employee's, job security as we once knew it no longer exists. Future security will be dependent on:

- Building career resilience through the creation of value
- Continuous retooling
- Active networking
- Developing and demonstrating a high degree of flexibility and mobility

Companies facing increasing economic pressures, aggressive competition and expanding regulation are faced with growing challenges that will continually require restructuring and talent optimization. By hiring employees, companies take on a social responsibility. Situations of separation between an employee and a company can be brought about by various reasons and can cause an extreme burden to the individual, the company, and the overall workplace climate. Traditionally, long-term employees and senior staff members have been the most affected. That is not the case today; increasingly, jobs across all organizational levels are being lost which, in turn, has a ripple effect throughout an organization.

Economic Recovery in 2011 Will Continue to be 'Disappointingly Weak'

The past year has been one of disappointingly weak recovery and it is expected that 2011 will bring more of the same. The watchword for the economy going into the New Year is uncertainty and the prospects for a robust recovery remain dim.

The economy overall will expand at about a 3 percent rate in 2011, a little better than 2010, but not enough to make much progress against the damage done during the recession.

Bill Witte, Associate Professor Emeritus of Economics, IU and a member of the Kelley School of Business Annual Business Outlook Panel. November, 2010

How Matters.

Laying people off is one of the hardest decisions an employer faces, yet, to stay competitive, organizations must remain nimble. Responding quickly to shifting priorities will inevitably include ongoing restructuring and, at some point, downsizing may be considered.

Although it may sound odd, laying people off and retaining people actually go hand in hand. How you conduct layoffs—and how you deal with those who remain—will directly impact your bottom line. Mishandle either of these two things, and you may be facing productivity and morale problems.

Why is it so Important to Carry out Layoffs Properly?

First and foremost, it is important to handle layoffs properly because each and every employee deserves to be treated with respect and dignity. Irrespective of tenure, each individual has contributed to your organization at some level and should be handled in the best possible way. We now live in the age of social media and greater personal disclosure, which means there is a good chance some of your former employees will share their experiences (good or bad) on YouTube, Twitter, Facebook or a blog. If the comments are negative, they can seriously harm your company's reputation and your ability to attract new clients or employees.

Be aware that the employees who remain will be watching your actions very closely. Treat laid-off workers with respect and dignity, and you will retain the respect of your employees. Showing a lack of compassion in the way you manage the layoff process may quickly find you facing a crisis in employee morale and a reduction in company loyalty.

Another reason why layoffs need to be handled with care is that the business world is becoming increasingly interconnected. Social media has moved into the business world with networks like LinkedIn, where there are rarely more than a few degrees of separation between you and a previous employee. And never forget that today's former employee may be tomorrow's client.

Protecting Your Employer Brand.

So, how do you make sure that you conduct layoffs in a manner that reflects well on you and your company? It comes down to four basic principles.

#1. Treat people with dignity and respect.

It is human nature to be anxious when faced with uncomfortable situations but, as a manager, you are expected to lead with confidence while remaining empathetic. This is not the time to distance yourself from the situation or avoid people. Doing so can lead to further speculation and distrust. Remember, this is a business decision and not your fault, and avoiding people will not minimize feelings of guilt or hurt. In fact, often times it will enhance them.

Be kind and compassionate. Losing your job can be a humiliating experience, so give people the respect they deserve and need. People may not remember exactly what you tell them but they will remember how you made them feel.

In his October 2009 article, "*Revelation — Your Employer Brand Is No Longer Owned by Your Firm*," Dr. John Sullivan outlines how social media and other web technology have shifted the power in employer branding away from the organization to the masses. His article outlines very thoroughly how everything from text messaging to Twitter has affected this balance of power.



Effective employer brands are authentic reflections of a company's culture, values, and purpose. Employer brand flows from the people of the organization, and it belongs to the people of the organization. To this end, employer brands aren't created; they are discovered, expressed, and managed. While social media has certainly made the management of employer brand more complicated, in some ways, it has also made it simpler. The true impact of the tools outlined in Dr. Sullivan's article is transparency. Employees have always owned the brand; they just haven't had the tools to broadcast their opinions to large audiences as they do today.

Did you know one in five tweets is brand related?



Protecting Your Employer Brand - continued.

Also, realize that this is stressful for you as well. Many managers report not being able to sleep the night before a layoff occurs. Take care of yourself during these stressful times by being prepared, reviewing your plan with trusted advisors, eating right, exercising and getting the proper amount of respite.

Things will eventually return to “normal,” but what you do between now and then could have a direct impact on your business and your ability to retain your top talent moving forward.

#2. Know the law.

One thing you really don't need — in a recession or at any time — is a costly court battle, so make sure you know your responsibilities as an employer. The law stipulates that employees must get either some notice prior to dismissal or be compensated instead, although the particulars vary depending on the specific state, federal and territorial laws. There are also certain universal rules that apply when laying off groups of individuals. Speak to a lawyer or contact your state labor board to make sure that you are meeting your obligations in accordance with the law.

#3. Plan layoffs carefully.

If business conditions find you in a position where you need to let people go, don't act indiscriminately. Take the time to ensure your layoff plan and your business plan are in sync. Look at your current projects—particularly those that are critical to the business—and don't forget to plan for the future. Make sure you have a clear idea of the projects that will get underway once the crisis is over. The last thing you want is to suddenly realize that a mission-critical project is in jeopardy because you let the wrong people go and now don't have the talent and resources to proceed.

#4. Be prepared.

You will make things easier both for yourself and the people being impacted by layoff if you are prepared with a well thought out plan. Consider:

- The message — a script may help with the content, the delivery and the setting. Be concise and focus on the business case.
- The notifier's ability to deliver the message confidently yet empathically and firmly without debate.
- The impacted employee's emotional state and any underlying personal issues that may be affected or triggered by upsetting news. Craft answers to frequently asked questions.
- Post-lay off logistics. How will impacted employees exit the building? How will the transfer of property be managed? Will they be allowed to say goodbye?

Much of what is said in a layoff meeting will not be retained; it is advised that you provide informational resources for affected employees, such as written details on benefits, separation terms, important contacts and other relevant information.

The Law is Not Enough

Complying with the WARN and OWBPA Acts and other state and federal laws is, of course, necessary when layoffs are instituted. But easing the anxiety of workers targeted for losing their jobs – workers who feel victimized by the process – is essential to preventing litigation as well.



“Last year saw the loss of more than 2.5 million U.S. jobs – the most in one year since 1945. These hard economic times have resulted in more corporate downsizing than could have been imagined. In short, mass employee layoffs have, unfortunately, become a common reality – and an HR nightmare.”

Conducting them in a compassionate manner that is consistent with federal and local law is vital because an improperly done layoff will almost invariably result in significant liability for employers.”

Keisha-Ann G. Gray is senior counsel in the Labor & Employment Law Department of Proskauer Rose in New York and co-chair of the Department's Employment Litigation and Arbitration Practice Group.

How Outplacement Firms are Reacting.

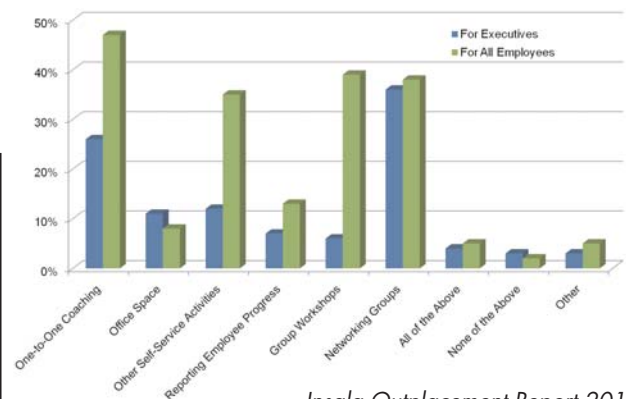
The changing needs and expectations of both employers and employees are driving outplacement in new directions. From the employer's perspective, providing outplacement support to exiting employees has become standard business practice for many companies. The demand for such services is increasing in this heavy job-cutting market. This is evidenced by the following research:

- 93 percent of surveyed executives believe career transition services bring value to exiting employees and the organizations providing the services (Insala Outplacement Report, 2010).
- 74 percent of executive respondents say their company provides career transition services to exiting employees as part of its company policy (Insala Outplacement Report 2010).
- 34.1% of surveyed organizations offer outplacement services to certain classifications of employees, while 13.6% offer it to all of their employees (HRfocus Termination Survey 2008).
- 30% of 600 surveyed companies outsource outplacement services (H.R. Department Benchmarks and Analysis 2008, Bureau of National Affairs).

With outplacement becoming a standard benefit being offered across all organizational levels, employers seek outplacement services that are affordable, relevant, flexible and responsive and that include qualified coaching and web-based resources and tools.

The average tenure of today's worker, as reported by the Bureau of Labor Statistics, is 4.1 years. Organizations struggle to balance the desire to be socially responsible in how they transition such short timers while remaining fiscally conservative. The Bureau further reports that the job market remains challenging, stating that the cumulative job losses for the first half of 2010 have been greater than for any other six month period since World War II. Approximately half of those affected have been out of work for six months or more. Today's environment is changing the needs and expectations of outplacement.

Those impacted by job loss benefit from the support and services that outplacement programs deliver and, of the support and services, personal coaching is reported as becoming increasingly more valued.

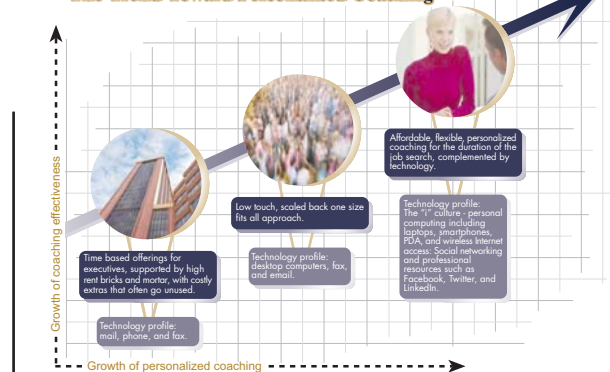


Insala Outplacement Report 2010

CareerCurve's Approach to Outplacement.

Traditional outplacement offered time-based programs typically reserved for senior level executives. It was defined by impressive infrastructure and costly extras that often went unused. An overcorrection to that model resulted in a scaled back, low touch, one size fits all approach. CareerCurve, a leader in forging new directions in outplacement, offers an updated model of career transition support services. This model offers an affordable solution that delivers superior personalized coaching for the duration of the job search. We have moved beyond the cubical and the 9-5 business day to deliver coaching services most convenient and effective for the candidate. Our technology supports the process, but human interaction with our coaches defines the candidate's experience. Downsizing is an important business decision. Job loss is life altering and very personal to those impacted. CareerCurve's business model is responsive, accessible, personal and available for the duration of the candidate's job search, critical features in today's challenging job market.

The Trend Toward Personalized Coaching



About The Author.

Patricia L. Wagoner, President and CEO

Patricia Wagoner earned her Bachelor's degree in Psychology from Pennsylvania State University and is a Certified Personnel Consultant. Her extensive understanding of leadership, operations, sales and marketing comes from 30 years of business experience as an executive in both the public and private sectors. Her executive background and vast consulting experience allow her to help client organizations in identifying business issues as they relate to human capital needs, emphasizing quality and value.

Patricia is driven to involvement by her strong belief in community service. She served as a member of the Board of Directors for a large local non-profit organization, ERC (Employers Resource Council) for 6 years; serving as President of the Board for one year. Additionally she is a member of several professional thought leadership organizations. She has been a Hospice volunteer for over eight years and currently serves as a member of the Pediatric Advisory Council for the Hospice of the Western Reserve. She holds a special compassion for those in need and is a continuous and regular volunteer in serving meals to the homeless, mentoring handicapped children and lending her energy to raising money for breast cancer research.



To reach Patricia Wagoner directly, you can e-mail her at pwagoner@careercurve.com or call 800.314.8230, extension 700.

CareerCurve™

Career Transition Services

Email: contactus@careercurve.com

Toll-free: 800.314.8230

Web: careercurve.com