

HELPING LAID-OFF WORKERS

Companies should make it a priority to provide outplacement support for affected employees

LAYOFFS, frequently called downsizing, have become a part of everyday life. They are one of the most important tools used by companies globally to achieve profitability.

With each new announcement of a layoff, companies must challenge themselves to make the right who, how and why decisions as they evaluate their human capital.

Employees who are laid off as well as those who remain in the organisation must feel that the company has acted wisely, justly, sensitively and honestly. Otherwise, the short-term financial success produced by the downsizing will quickly dissipate.

Once a company decides that a downsizing is necessary, it must also determine how to implement it with dignity.

Facing the threat of job loss and seeing others lose their jobs can be a traumatic and bitter experience. This is one reason why many excellent companies do everything possible to avoid layoffs.

However, even the most employee-friendly companies may deal with difficult economic conditions by reducing their workforce.

The reasons why the company downsizes are related to dramatic changes occurring in the environment.

This may make the company lose market share in its industry or respond to fierce competition from its rivals — resulting in the need for the company to cut costs by altering its size to fit its market and customer base.

Globalisation and the breakdown of trade barriers among nations and



Facing the threat of job loss and seeing others lose their jobs can be a traumatic and bitter experience. - APpic

the emergence of technology and automation have also led to downsizing.

Companies have to ensure that they develop appropriate and well thought-out plans before implementing the downsizing and layoff process. Here are the top 10 ways in which companies benefit by providing outplacement support:

1 Avoiding legal action

Providing career transition or outplacement support for downsized employees encourages them to leave the past behind and move on, potentially reducing the instance of frivolous, revenge-based lawsuits.

2 Reducing threat of sabotage

The downsized employees may need to remain on the company premises in their current position for a number of days/weeks after receiving a notice of layoff.

The quicker the outplacement begins, the less risk the employees pose to the company's physical or intellectual property.

3 Diffusion of violence

The potential for workplace violence may be diffused when fears are addressed and tackled. Outplacement support can be key in helping downsized employees to remain calm and in control.

4 Insure the company's future

The company may need the laid-off employees in the future.

If the company is in a temporary downturn and hopes to recall valuable employees, the investment in career transition support will pay off in the future.

5 Community service

By providing career transition support for laid-off employees, companies are placing productive people back into the local workforce.

6 Enhancing reputation

During a downturn in business or in an acquisition cycle, the company's

reputation will not suffer if it is seen to be doing the right thing by its workers. Offering outplacement support protects a company's reputation in the eyes of its customers as well as future employees.

7 Employee security

When current employees have a valuable and effective resource to count on in the event of being downsized, they are more secure and confident, allowing them to concentrate on the job at hand with less distraction.

8 Rise above the competition

Downsized or impacted employees may find subsequent work with a competitor. It is prudent to have that former employee think highly of his previous job and maintain confidential company information.

9 Need for future talent

A downsized or impacted employee will refer talented individuals to his former company if he left it on good terms. And every employee who leaves your company unhappily passes the word on to other potential employees.

10 Great value

Compared to other retrenchment benefits, providing career transition or outplacement support to downsized employees is one of the lowest cost benefits you can offer. In turn, it offers maximum benefit at the most critical of times. — Source: ST/ANN

■ Article by Chris Fenney, the co-founder and Director of Training Edge International.