Outplacement explained

Redundancies, settlement agreements and more

A practical guide for business
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What is outplacement?

Dealing with redundancies or settlement agreements can be tough, both on the individuals leaving and the organisations having to make hard choices. Outplacement provides employees who are leaving a company – voluntarily or involuntarily – with practical career advice and coaching support to help them make their next move.

Outplacement is usually provided by an expert supplier and paid for by the employer. It can be delivered on a one to one or group basis. Some employers will ask their outplacement provider to design and deliver a personalised programme for affected people, often including a mixture of individual coaching and group workshops.

Topics that are covered by outplacement include: career planning; CV writing; targeting the job market; interview preparation; job offer and salary and benefits negotiation; and onboarding – the process of adjusting to life in a new role.

Some outplacement suppliers will have experience of helping people make a variety of career moves including starting their own business, becoming a non-executive director or planning for retirement.
What can outplacement do for your company and your people?

Outplacement is different from all the other elements that can make up a redundancy or settlement agreement package. It actually helps people to find their next job or make their next career move. Investing in people who are leaving may seem counter intuitive but there are many compelling reasons as to why this is a sound business investment.

It is different to money
Financial compensation will often give transitioning employees time to think and temporarily reduce money worries but once these immediate factors are taken care of they will need to have the confidence and expertise to move forward and find their next role.

Outplacement support that helps a leaver get a new job faster than they would have done on their own is a benefit that will last long after the financial compensation has gone.

It allows you to be consistent with your company values
Most organisations will have stated aims that include looking after their people.

Investing in outplacement is a clear way of demonstrating this in practice. It helps leavers to reassess their career options and get the right next opportunity, as well as showing you will continue to look after people when times get tough.

It increases productivity during times of change
Notice periods, particularly for senior executives, can last six months or more and organisational change can leave employees worried about their future.

Professional support helps reduce the fear that comes with redundancy and allows leavers – plus those staying with you – to continue adopting a ‘business as usual’ approach during this time.
It preserves your reputation
Looking after departing employees reflects well on those who stay with your company – they will see how you support your leavers.
Outplacement means your departing employees are more likely to have a positive view of you and share this in the future with your customers and competitors.

It can potentially minimise redundancy pay outs
Outplacement helps leavers to get another job. In turn, this helps you to explain why you don’t have to compensate them for so long for losing their current one.

It can minimise the need for compulsory redundancy
Outplacement increases the level of comfort for leavers and therefore the likelihood of people leaving of their own accord via voluntary redundancy. This can save you time and effort, as well as the emotional upheaval a compulsory redundancy process can bring.
What does outplacement look like today?

As more candidates are entering the job market, outplacement support in 2021 is more important than ever to make sure your leavers leave well. Recruitment processes are changing as we adapt to working in a virtual world, and there are heightened levels of uncertainty and fear in those needing to find new roles. Helping people take their next step with knowledge and confidence is essential to ensuring your people feel like they have been looked after.
The role of an outplacement provider is to get candidates prepared for the job market – on paper, in person and online. LinkedIn and other recruitment websites are key for job seekers – but they aren’t always used as effectively as they can be.

There is still value in personal networks. Targeted approaches work well and many candidates who use an outplacement company will get a job that isn’t advertised externally at all. A good outplacement consultant will ask a candidate to list the companies that they want to work for and send different CVs and cover letters to each of them. When choosing an outplacement partner, their track record at accessing the ‘hidden job market’ is a key thing to consider.

Outplacement has matured as an industry in line with candidate requirements and the best consultants can offer practical and emotional support. For consultants, just being a well-connected, experienced professional is not enough. They need to be a sensitive coach and confidant – patient and willing to help people build their confidence and self-esteem where necessary.

Progressive employers are setting up career transition services for their people – helping them to find a more appropriate role within their organisation. It’s about saying to an employee: ‘This job isn’t right for you, let’s work together to find one that suits us better.’

An outplacement programme today might look like this:
- Time-bound or on an ‘as long as it takes’ basis
- Personalised support from a career coach
- Access to the outplacement company network
- Access to online tools and resources
- Onboarding - adjusting to life in a new role

Many candidates who use an outplacement company will get a job that isn’t advertised externally at all.
What does outplacement cost?

The number of outplacement providers in the UK market is increasing steadily with some of them extending their service on an international basis. The type of support offered and cost for doing so varied by provider, shown here in the summary of our market research.

One to one
One to one outplacement costs ranged from extremes of £1,500 to £70,000 per candidate. Services and pricing varied according to the provider but £5,000 for a 6 month service was a popular combination.

Group
Group outplacement is more cost effective and you can deliver a full day workshop for 10-12 of your employees from £100 per person. Some providers offer public outplacement workshops that you can send your employees to with prices starting at £100 for a half day.

By role
Outplacement costs for junior roles are usually lower than for senior ones. This is often justified by the length of time taken to find a new position for a departing chief executive or sales director.

Additional benefits
Some providers will offer outplacement on the basis of a set number of meetings or duration of support, whereas others offer the service on an ‘as long as it takes’ basis – this means your leavers work with a consultant until they find a new position. Other providers will offer additional benefits as part of their fee including: psychometric profiling, financial advice, wellbeing support and access to their offices and meeting rooms.
How to position outplacement internally

If you aren’t the decision maker, here are some ways to position the idea of outplacement to your business.

Ask the decision maker what will happen if they don’t include outplacement.

Are your employees less likely to find their next job?

Will the risk of litigation be greater?

Will your employees direct any frustrations to your company, HR team and their colleagues instead of an outplacement partner?

Is money alone going to help your people to cope with losing their job?

Is there going to be a reputational impact on your organisation?

By looking at both the impacts to the business of not providing outplacement, and the benefits of providing an outplacement package, you can quickly start to build your return on investment when supporting leavers at a challenging time.

“Ask the decision maker what will happen if they don’t include outplacement.”
How to choose the right outplacement partner

Here are some top tips for appointing the right outplacement company:

Ask to speak to their existing clients
A good outplacement provider will be happy to share their client list with you and arrange for you to see written testimonials from them. You can also ask to have a telephone conversation with one of their existing clients.

Think about what will work for your people
Some outplacement companies can ‘process’ people, providing a commoditised service. When choosing a partner, put yourself in the shoes of your leavers. Consider whether your people will receive individual care and attention.

Think about how long it will take your people - particularly senior executives - to find a new role. With an ‘as long as it takes’ outplacement service none of your leavers will be without outplacement support when they need it most.

It is about the quality of their consultants
A smart website and brochure does give a certain indication of quality, but take time to ask questions about their outplacement consultants.

If you are a pharmaceutical company, it may be important to use consultants who have demonstrable experience of similar organisations. If you are making your managing director redundant – see if your outplacement partner can match them with an outplacement consultant who has first hand experience of performing at the same level. Ultimately it is about making sure that an outplacement consultant has the right style and approach for your leaver.

Consider whether your people will receive individual care and attention.
Why work with Connor?

We’re proud to be different to other outplacement companies. When you work with Connor, you receive:

- **Face-to-face outplacement support for your people for as long as they need it – our unique promise.**

- **Tailored outplacement programmes that benefit the individual and the business.**

- **Unlimited access to psychometric tools for your people, as well as our acclaimed Connor career centre.**

With over 25 years of expertise, Connor consultants know the marketplace inside-out.

We have the deep industry knowledge, understanding and resources to manage even large-scale, global outplacement programmes.

We also offer programmes to support individuals in other stages of career transition, from career break returners to those considering retirement, together with programmes to support individuals and teams who have been retained as a result of a restructuring programme.

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