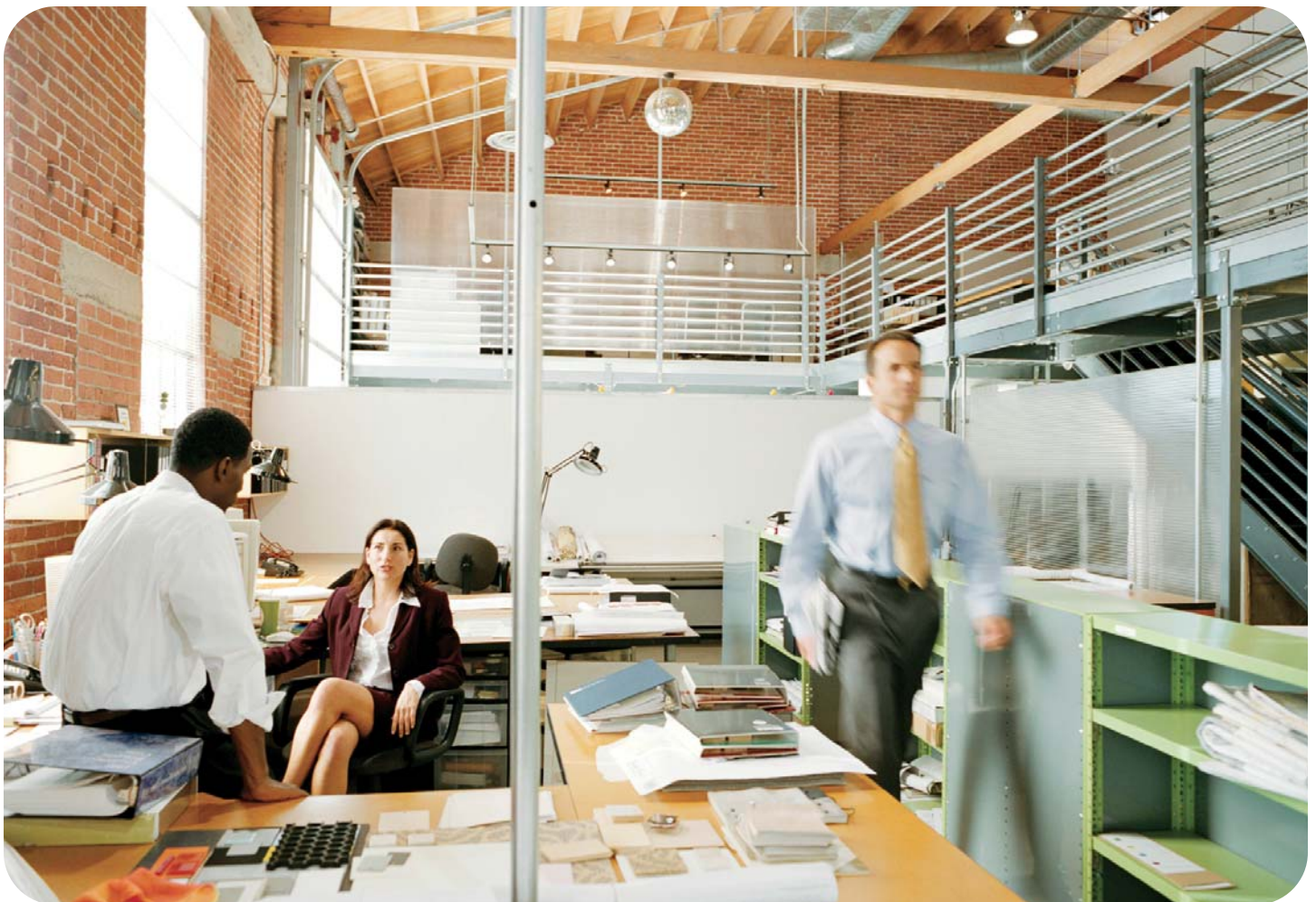


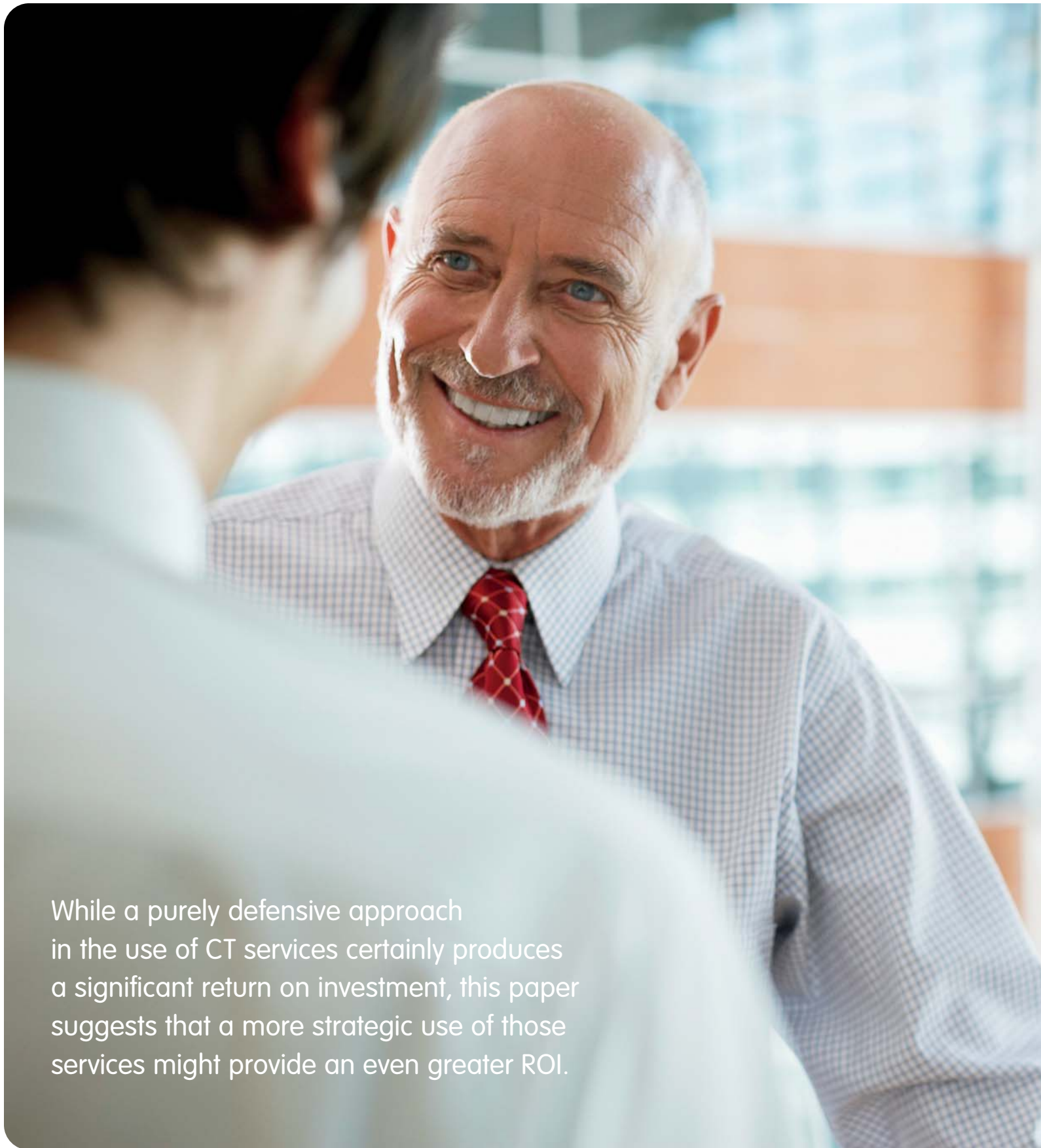
LEE HECHT
HARRISON

Return on investment and career transition services.

Can career transition services help build an employer's brand?



Using career transition services to produce positive results.



While a purely defensive approach in the use of CT services certainly produces a significant return on investment, this paper suggests that a more strategic use of those services might provide an even greater ROI.

Conventional thinking says that outplacement — or career transition (CT) services — are both the right thing to do and will also protect your organization from litigation, workplace violence and the like. This kind of primarily defensive thinking is correct and useful, but another more recent approach to the topic might be even more valuable.

How your organization handles a downsizing can certainly have a negative effect on retention, your position as employer of choice, and your brand equity. In this white paper, explore whether the proper handling of a downsizing and associated CT services can actually create positive results in those same areas — in effect, building your brand and your position as an employer. We will also offer some new ways to consider the ROI of those services given the dynamics of the 21st century workforce.

We will begin with background on demographic shifts, then move to an examination of the impact of departing employees and finally look at ROI and associated measurements and actions.

Downsizing. Rightsizing. Restructuring. Reengineering. Reorganizing. Reduction in force. Redundancy. Elimination.

These words have become a part of the fabric of our corporate culture. If you Google “downsizing,” it recalls more than 4.4 million results. According to the Federal Bureau of Labor Statistics, the total number of mass layoffs — involving at least 50 persons from a single employer — was 15,493 in 2007, up from 13,998 in 2006 — a more than 10% increase from the previous year.

The relationship between employers and employees has truly changed, thanks to a global economy marked by deregulation, technological advances, free trade, and cutthroat competition.

One of the founders of Lee Hecht Harrison, Steve Harrison articulates 11 key elements of the new social contract between employer and employee in his book, *The Manager's Book of Decencies*. Element #6 addresses the role of Career Transition under this new contract.

Today's company, Harrison says, speaks to the employee like this:

Our relationship exists in a free-market, laissez-faire employment economy where change is the name of the game. Lifetime careers are still possible here, but they are no longer the norm, and in most cases are not mutually desired. We should both acknowledge this reality up front.

- Therefore: If you identify a better employment opportunity elsewhere, we would see it in your educated and enlightened self interest to pursue it.
- Similarly, should the situation arise where your skills, abilities, and/or services are no longer seen as contributory or adding value to the organization, we will release you. When such moves occur at our initiative, we will make every effort to bridge the transition with severance pay, [career transition], and other services designed to minimize disruption in your life by enhancing your ability to land on your feet in a new setting. Here again, however, there are no guarantees.

Four generations. One workforce.

The promise of lifetime employment has long ended, but corporations can address the effects of displacement and fulfill their corporate and social responsibilities in the new environment that employees sometimes call “free-agency.”

Adding to that challenge is the fact that employers face the realities of a 21st century workforce where, for the first time in history, four different generations make up our workforce. Each generation — the Traditionals, Baby Boomers, Generation X and Millennials — has its own views of what they need, require and desire from their employer. The younger three of these four generations

are increasingly circulating between companies as a result of the ongoing cycle of downsizings and expansions that inevitably accompany the economic cycles. These departing employees — who may very well consider returning one day — continue to have an effect on your business after they leave. Whether that effect is positive or negative is significantly influenced by how you handle your downsizings.



The 21st century workforce.

We live in a time of tremendous change. Globalization, the ubiquity of technology and the increasing demand for knowledge workers has changed the world of work. America’s workforce and its employers are faced with the challenge of constantly adjusting to the changes of the 21st century economy. These changes include a fundamental transformation for all industries, requiring increasingly higher skill sets, higher education and enormous flexibility.

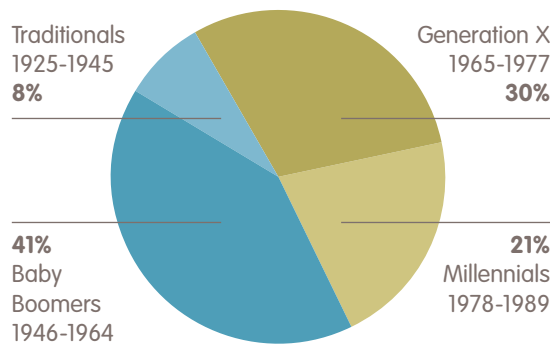
U.S. demographic trends have brought us to a unique place and time.

We live, work and play in an environment where multigenerational workforces have never been so prevalent and influential. From Baby Boomers to Millennials, corporations are looking to maximize the productivity of everyone in their workforce for optimum performance. The Traditionals are about 95% retired already, while Baby Boomers are delaying their retirement plans. Generation X is climbing the corporate ladder and Millennials are in the beginning stages of entering the workforce.

Together, Generation X and Millennials now make up 50.5 percent of American workers. Following close behind, Baby Boomers make up 41 percent of the workforce, but they still hold the lion’s share of leadership positions in most organizations. Now beginning to turn 62 and become eligible for Social Security, the majority of the Boomer generation will forgo traditional retirement and continue working in some manner.

There has been much discussion around how these generational forces impact recruitment and retention strategies. Their impact on the way companies develop their career transition strategies and deliver career transition services is equally important.

What generations make up the U.S. workforce?



Source: RainmakerThinking, Inc. 3/21/05

Involuntary termination — a very personal and individual experience.

People across generations are impacted differently by involuntary termination and tend to have different coping mechanisms, distinctive ways of viewing their next set of opportunities and a unique outlook on how to achieve their goals.

Consider, for example, Wall Street, known for “over hiring and over firing” in the sometimes intense swings of the economic cycles. A 25-year veteran of the industry likely knows this, has been through it, and has had several experiences where they have moved from one firm to another. They know that they will forge ahead, survive and continue to be successful even if they are impacted by a restructuring. They may also be much more financially secure. However, they may still need a lot of CT assistance, especially if it’s time for them to change industries.

A newer finance professional — who is less experienced and has perhaps fewer resources — will have a very different perspective on being let go for the first time.

Generational psychographic and work style profiles.

There are many differences in these generational profiles, and career transition that is effective and meaningful for one group may not be for another. Learning styles, work experiences and desired outcomes vary by individual, and are often influenced by their generation.

As a result, personalized one-on-one career guidance, customized programs, and access to a wide range of career transition tools are more important than ever.



Traditionals

Born 1925-1945

Defining characteristics.

- Defining events: Korean War, World War II, Great Depression
- Grew up with the mentality of being seen and not heard
- Appreciate discipline, hard work, saving and self-denial

Work styles.

- Work ethic built on commitment, conformity, responsibility, loyalty
- Not likely to “rock the boat,” break the rules or disrespect authority
- Many now retired and/or reordering how they will integrate work in their lives



Baby Boomers

Born 1946-1964

Defining characteristics.

- Defining events: Beatlemania, Vietnam
- “Me” generation: materialistic and selfish, but also optimistic and idealistic
- Personal growth a key goal; always seeking quick fix in their lives
- 25 percent of the U.S. population and of U.S. households with income of \$100K+

Work styles.

- Attitude toward work: a career for 53 percent; just a job for 24 percent
- Overachieving, work long hours, multi-taskers, struggle with work-life balance
- Money motivated
- Internet able



Generation X

Born 1965-1977

Defining characteristics.

- More global, technologically oriented, and culturally diverse
- Many non-affiliated politically
- Best educated generation in the U.S.
- Concerned with financial and emotional security; many do not expect to enjoy same prosperity as parents, grandparents.

Work styles.

- Internet savvy
- Job hoppers, want to be valued immediately for their skills
- Have witnessed parents' career troubles, downsizings
- Want more coaching and feedback



Millennials

Born 1978-1989

Defining characteristics.

- Defining events: 9/11, the shootings at Columbine and other schools
- Concerned with environment, poverty, and community
- Display a high degree of tolerance towards diverse cultures, lifestyles and behaviors
- Self-inventive/individualistic
- Largest consumer group in the history of the U.S.

Work styles.

- Extreme Internet proficiency
- Work on their own terms — command of technology and having experienced affluence so early in life puts them in a unique position to negotiate those demands
- Pragmatic and hard-working

Delivering transition support has changed significantly over the past decade.

In the 80s and 90s it was a one-size-fits-all approach. The learning model was mostly conducted using a one-on-one approach and behind closed doors, with little or no interaction with others. HR teams and their partners would teach participants resume building, networking, interviewing skills and other job hunting techniques without providing a project management approach within which to use those essential skills.

Today, companies and participants demand and deserve a much more sophisticated and effective approach. Job hunting is now seen as an essential career management tool. The search is a work project, complete with performance measurements and benchmarks. Career transition is primarily a business process, not a psychological one. Employers are taking a more businesslike view of career transition services to meet the needs of today's workforce.

Below are some primary areas of consideration:

Desired outcomes	Generational preference	Learning style	Background and skills	Personal situation
<ul style="list-style-type: none"> • Career change • Industry change • Entrepreneurship • Active retirement • Portfolio career • Career continuation 	<ul style="list-style-type: none"> • Veterans: engagement and contribution • Baby Boomers: recognition and personal satisfaction • Gen-Xers: career flexibility • Millennials: technology, teamwork and work-life balance 	<ul style="list-style-type: none"> • Visual learning • Auditory learning • Kinesthetic learning • Independent study • Classroom • E-Learning • Peer group interaction • Coaching 	<ul style="list-style-type: none"> • Profession or occupation • Level of responsibility • Industry • Employment history • Education • Compensation 	<ul style="list-style-type: none"> • Ability to relocate • Family • Lifestyle • Stage of life • Desire to telecommute • Job search experience

All of these diverse factors need to be evaluated and considered in order to design an effective transition strategy. Based on the analysis of your transitioning workforce, your key executives, your HR team and career transition partner should determine how personalized your program can be for maximum effectiveness and to help your workforce transition more successfully.

There are some fundamental ways of customizing a career transition program including:

- Customized learning delivery methods to teach and reinforce job search and career management skills
- Flexible access to both brick-and-mortar office and Internet-based learning, job aids and resources
- Choices around time commitment invested in meeting their goals
- 1:1 coaching or working in groups
- In-person and online networking opportunities



Being an employer of choice — even during a restructuring event.

From *Fortune's 100 Best Companies To Work For* to *Working Mother's 100 Best Companies* list, being an employer of choice is becoming an increasingly essential part of an organization's success. During a downsizing, employers now need to ask: Will former employees refer new talent and business opportunities to your organization? Are we a company where former employees will "boomerang" (come back to work) when the time is right? Do our talent competitors speak positively about us?

Employers have long viewed career transition as a socially responsible and compassionate service to provide. But it's more than the right thing to do. It's also the smart thing to do.

Career transition is increasingly being seen as an important tool for helping to protect and build an employer's brand. Employees in transition want to quickly connect with useful and productive career transition services and to maintain those ties until they've achieved their goals. Former employees go to work for competitors, partners and customers. They keep in contact with former colleagues who may still be employed with your organization. One day, they may come back to work for your organization again. The level and type of support a company provides to employees who have been let go can have a notable impact on the employer's brand.

The impact of departing employees on your business.

A majority of people affected by downsizing stay in the same industry, so there's always the potential that a transitioning employee may:

- Be hired by one of your competitors
- Be hired by one of your customers
- Attend industry conferences/events
- Maintain relationships with your vendors, customers, partners
- Maintain contact with previous co-workers

In addition, you may need to re-hire this person in the future.

When planning a restructuring event, it is important to consider the long-term employer brand impact that the event will have on your organization. The way in which the event is communicated, managed and the services offered to your transitioning workforce will have long-term effects on the way your company is viewed both internally by retained employees and externally by your competition, partners, vendors, investors and others.

Is your career transition program the best it can be? Is it a program you are proud to provide that helps to protect the integrity of your employer brand? These are the types of questions it's important to ask in the planning, execution and measurement stages of any and every event.

Even a modest downsizing can unleash an exodus of valuable employees. Companies that laid off 0.5 percent of their staff experienced, on average, a turnover rate of 13 percent — compared with an average turnover rate of 10.4 percent at companies that didn't do layoffs.



Corporate career transition services Return on Investment.

Defensive traditional ROI factors still apply

- Minimize litigation
- Minimize negative PR
- Prevent workplace violence
- Limit damage to the brand
- Minimize unemployment insurance costs
- Protect reputation

New proactive ROI factors are becoming more important

- Enhance your position as employer of choice
- Increase productivity of retained employees
- Strengthen retention of top performers
- Build your brand
- Strengthen your position in the ongoing war for talent
- Demonstrate your commitment to multi-generational diversity
- Do the right thing

The blueprint for success.

There are five critical components to the success of any career transition program:

1 **It all begins with good planning:**

A restructuring event can be all-consuming. From the decisions about who to let go and who to keep, severance packages and managing the litigation risks, HR teams have a demanding task to effectively manage these events and may even be operating in “crisis mode.”

Often times, management teams and HR executives bring their career transition firm on board toward the end of the restructuring process – when transitioning employees are ready to utilize their services. However, a good firm will be able to relieve your team of some of the burdens of the transition process from start to finish – including assisting with strategic planning earlier on in the process.

You can tap your career transition firm’s expertise in various areas including development of comprehensive pre-event planning strategies, as well as your change management, communication and service delivery plans. Those companies who maximize their career transition firm as a resource tend to have more effective downsizing strategies and better assurance that affected employees, as well as those who are retained, remain productive, committed and focused.

2 **Clear and consistent communication:**

Be sure to let your workforce know as soon as possible what is happening and why with as much candor as is appropriate. Rumors and misinformation can spread quickly as a result of a poor communication and control, so be consistent with your messages.

Prepare your front line managers with the appropriate information and key messages about the situation. Unprepared managers can leave your workforce with the impression that the situation is not under control, organized or well managed.

Communicate at the beginning, middle and end of the event so that people understand what’s happening, how things are progressing and when the situation is “over.” Otherwise, you will have an unproductive, worried, frustrated and unmotivated workforce who may decide to jump ship on their own accord due to a lack of clarity about the status of their company.

It’s important to share information company-wide, but do not forget to communicate to those individuals who are especially important to retain during this challenging time. If they have a strong relationship with their manager or another senior executive, be sure to provide information to that person on an individual basis and receive their feedback as well. This investment can pay dividends in motivating key talent beyond the event.

3 **Set realistic expectations for career transition:**

Dissatisfaction with career transition programs tends to be a result of mismanaged expectations. To help your company and your career transition firm succeed in delivering useful tools and services to your workforce, it’s important to be clear with employees about what career transition is, why the company offers it and what you hope they receive from it.

The most common misperception by employees about career transition services is that it's job placement. It's always helpful to explain to your workforce that career transition is meant to help them prepare for re-entering the job market, and what types of tools and resources they should expect to receive.

Have your career transition firm conduct on-site briefing sessions with your transitioning employees to explain in detail how they can engage in the program and what steps they can take to maximize the resources and expertise provided. If on-site briefings are not possible, referring them to a career coach from the firm by phone or to a micro-site specifically set up for your company by the firm can also be helpful in communicating the benefits and resources of your career transition program. The end result is minimal effort and resources needed from your already very busy HR and employee communications teams.

Setting the right tone for this group is also important. Although it's a sensitive time, try to position the career transition program as an opportunity to explore the possibilities in front of them. Also, be sure to sensitize their managers and colleagues that this is a challenging and sometimes overwhelming experience for their impacted co-workers and that they should be understanding and supportive.

4 Appropriate programs by style and level:

Given the various generational differences and learning styles, today's most effective career transition programs offer a blended mix of high-touch and high-tech resources.

Your upper-level executives may have access to a greater number of resources for a longer period of time. Groups of employees that would like to engage in your career transition program via one-on-one sessions or group sessions should have the option to do so.

Incorporating these considerations and providing the appropriate programs by style and level for your transitioning workforce will be important to its success. If your metrics include employee engagement, satisfaction and landing data, provide a variety of appropriate and useful resources for each target employee group. This can only help improve your workforce's experience and your own career transition program report card.

5 Measurement and feedback:

Measurement is necessary to maximize the ROI from your career transition services. Most organizations do careful analysis of the ROI of HR related investments. But many somehow miss the importance of doing the same thing with career transition services. They fail to collect their own data, relying instead exclusively on data provided by the CT service provider, something they would not do with other vendors.

Large organizations would do well to treat their career transition investments with the same care they treat other investments, using the career transition company as a partner in collecting, evaluating, and analyzing relevant data — as well as acting on it to increase the ROI.

Use a career transition company as a partner in collecting, evaluating, and analyzing relevant data — as well as acting on it to increase the ROI. Here are some possibilities:

Proactive ROI factor	Measurements and actions needed
Enhance your position as employer of choice.	<ul style="list-style-type: none"> • Survey employees on their opinion of the organization during and after transition. • Adjust CT program offerings as needed. • Work to avoid situations where the former employee runs out of severance before becoming re-employed. • Express your concern about the careers of released employees and act in ways that reinforce that.
Increase productivity of retained employees.	<ul style="list-style-type: none"> • Measure productivity before, during and after downsizing. • Plan downsizing communications to speak to both released and retained employees and monitor effectiveness of communication.
Strengthen retention of top performers.	<ul style="list-style-type: none"> • Identify key employees and employee groups and measure their retention. • Put individualized and customized programs in place to enhance their retention.
Build your brand.	<ul style="list-style-type: none"> • Survey employees on their opinions of your products during and after transition. • Stay in communication with them throughout.
Strengthen your position in the ongoing war for talent.	<ul style="list-style-type: none"> • Survey released employees on their opinions of CT services and adjust CT offerings as needed. • Proactively locate and assist those experiencing transition problems, especially after their services end. • Whenever possible, use services without a time limit.
Demonstrate your commitment to multi-generational diversity.	<ul style="list-style-type: none"> • Segment CT satisfaction ratings by generation. • Adjust program offerings as needed.
Do the right thing.	<ul style="list-style-type: none"> • Measure public reaction and reaction of key customer groups to downsizing events. • Adjust activities and communications as needed.



Where do we go from here?

As the world of work and the demands of employees evolve, so will career transition strategies and the ROI we gain from them. Employers of choice today are those organizations that treat their employees with respect and support throughout their careers with the company and through any restructuring event.

The gold standard of career transition services.

We anticipate a continued combination of innovative technologies with one-on-one and group environments where people can interact with and support one another through their transitions. Technologies and coaching methods may evolve, but the necessity of the balance between on-demand and human resources will not likely diminish.

Proactive organizations will increasingly work with their career transition partners to create a new level of services, strongly oriented toward creating organizational benefits, rather than continuing with an antiquated system designed only to limit damages.

Avoiding the negative. Producing a positive.

Moving forward, we must take a more thoughtful approach to career transition services to increase ROI for both our businesses and our transitioning employees.

By viewing career transition as a vital investment, organizations will build a stronger employer brand and therefore have stronger talent pools from which to build their business. When done well, career transition can not only help your organization avoid negative consequences, but also create positive value.

Lee Hecht Harrison

Established in 1974, Lee Hecht Harrison is a global leader in creating and delivering customized and fully integrated human capital solutions. With over 240 offices worldwide, Lee Hecht Harrison is dedicated to partnering with organizations and individuals, enabling them to maximize their performance and achieve success.

Lee Hecht Harrison is the flagship brand of Adecco Human Capital Solutions, a division of Adecco, S.A., the world leader in workforce solutions, with over 6,600 offices in over 70 countries and territories around the world.



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