



# THE ESSENTIAL GUIDE TO **OUTPLACEMENT**



## Everything you need to know about outplacement

Is it possible to show employees you care about them—even during layoffs? Can your company let go of employees—without triggering angry reviews on Glassdoor? How do you protect your brand reputation—in the midst of a reduction-in-force?

These types of questions may seem difficult to answer, because downsizing your workforce is never an easy task. Companies have to make tough decisions and let go of employees who are genuinely valued by the organization and its people, while those employees may feel unappreciated or abandoned by the companies they had worked for. Still, companies can provide a softer landing and a more positive offboarding experience for departing employees by offering an important service: Outplacement.

This guide provides an in-depth primer on outplacement: What it is, how it benefits both employees and companies, and which factors to consider when selecting services for your company.

## What is outplacement?

Outplacement is a benefit given by a company to departing employees with the goal to support them with their career transitions. In most cases, a company engages an experienced outplacement company to provide outplacement assistance to affected employees, who are offered coaching, support, and advice to help them find new jobs more quickly and easily.



## What are outplacement services?

Broadly speaking, **outplacement services** can refer to any number of services that help an exiting employee find a new job or career. Some of these services—such as group career coaching and job fairs—are generalized help offered to larger numbers of people at once, while other services—such as resume editing and interview practice—are personalized for the individual job seeker.

Depending on which services are offered, the quality and effectiveness of outplacement programs can vary widely. In general, the more personalized approaches that provide one-on-one career coaching and other individualized support are more successful in placing job seekers in desirable jobs at equal or greater salaries than the one-size-fits-all options that give people only general advice and standard job search tools.

**64%**  
**OF CONSUMERS STOPPED  
PURCHASING A BRAND  
AFTER HEARING NEWS OF  
THAT COMPANY'S POOR  
EMPLOYEE TREATMENT**



Source: CareerArc/Intoo Employer Branding Study

In addition, the accessibility of outplacement assistance varies from program to program. Many traditional outplacement providers primarily offer on-site services which require people to come to an office to meet with a career coach during business hours. But virtual outplacement services—such as those provided by Intoo—make it possible for people to get the help they need online, when and where is convenient for them.

Best-in-class outplacement programs combine ease of accessibility with a suite of personalized services. The convenience of such programs makes it more likely that people will take advantage of the services—and the individualized support increases the likelihood that these transitioning employees will land new jobs with speed.

# Why offer outplacement?

## EMPLOYEE BENEFITS

For employees who have been involuntarily terminated by a company, the benefits of outplacement are easy to see. An outplacement program can significantly speed up job seekers' landing rates by helping them find and successfully attain new career opportunities that fit their interests and skills.

Professional career counseling offered through an outplacement program can be especially beneficial. Experienced career coaches can provide advice on personal branding, help hone an "elevator pitch" about their strengths to use during networking meetings and interviews, or suggest specific job hunting techniques specific to an industry or position.

One-on-one coaching from a career development professional is also invaluable for people who are less concerned about finding a new job quickly and more about exploring career changes or pivots. Through personalized guidance, people can better figure out what kind of careers best fit their skills, which industries best match their interests, and even how to gain additional education or training necessary for a desired position. A robust outplacement program usually offers assessment and personality tests, which the job seeker can go over with the coach to determine next steps.

Another important outplacement service is resume editing and review. Many job candidates are unaware about the personalization and optimization necessary to get their resumes through the automated screening programs used by many companies to weed out unqualified applicants. A professional resume reviewer can make hands-on suggestions to improve a resume not only to get past such programs but also to stand out among other candidates who have applied for the same position.

Other helpful [outplacement solutions](#) include cover letter building and interview coaching. Tech-savvy job search tools are also becoming increasingly important. Intoo Outplacement, for example, combines a job matching service with access to in-depth company research and a one-click tool that allows prospective employees to identify personal LinkedIn connections to target companies.

## EMPLOYER BENEFITS

While the desire to do the right thing for employees is a top reason companies choose to offer outplacement, employers that provide this benefit also reap major rewards for their organizations. By offering outplacement to exiting employees, you can:

### Elevate your company's reputation

An employment termination doesn't actually end your employees' relationship with your company. Your exiting employees will still hold opinions about your company long after they've left and share them on [social media](#) and Glassdoor, becoming vocal brand ambassadors—or brand critics.

In fact, the [CareerArc/Intoo Employer Branding Study](#) found 66% of people choose to share their poor layoff experiences with others. This is a key reason why many companies take care to provide departing employees with as positive an offboarding process as possible. By offering outplacement, your company can show its support and concern for affected workers at a critical moment in their careers. Moreover, outplacement allows employees to put their focus on finding new job opportunities, instead of on the negative emotions that may be brought up by the layoff. Offering outplacement helps forestall online backlash from ex-employees, who are more likely to feel your company did its best to support them even during a difficult business transition.

**66%**  
**OF PEOPLE CHOOSE TO  
SHARE THEIR POOR  
LAYOFF EXPERIENCES  
WITH OTHERS**



Source: CareerArc/Intoo Employer Branding Study

### Retain and expand your customer base

The Glassdoor reviews, social media posts, and word-of-mouth opinions of your past employees strongly affect your [employer brand](#)—and your brand reputation has a strong effect on your customer base. Our [Employer Branding Study](#) found that 64% of consumers have stopped purchasing a brand after hearing news of that company's poor employee treatment.

In short, the way you treat your exiting employees has a direct connection to the way your customers will perceive your brand. By providing outplacement, your company can better protect its long-term market share.

# COMPASSIONATE OFFBOARDING HOW TO MANAGE LAYOFFS WITH EMPATHY + DIGNITY

Watch the webinar

## Boost employee recruitment

In addition to customers, potential employees also pay attention to your brand reputation. A poor brand reputation lowers your company's ability to attract key talent. In fact, [Harvard Business Review](#) reports that a company with a poor reputation ends up paying \$4,723 more per hire. In light of those figures, it pays to offer outplacement to exiting employees, making them more likely to rate your company highly.

## Improve the morale of the remaining staff

Your brand reputation affects the morale of your existing employees too. Since layoffs are known to trigger [turnover contagion](#) where additional employees opt to leave, it's especially important for companies to promote a positive workplace culture after a reduction in force. If remaining employees see that their friends and colleagues were treated respectfully and given outplacement during the layoff process, their trust and loyalty to the company are more likely to remain intact.

## BE PREPARED.

# DOWNLOAD OUR REDUCTION-IN- FORCE CHECKLIST NOW.

Download checklist

### **Improve post-employment relations**

Ex-employees' relationship to your company isn't limited to online reviews. In fact, if the parting was on good terms, former employees can serve as great assets to the company—as customers, referrers, or even boomerang employees. This is why employers of choice offer outplacement to exiting employees; providing this benefit encourages former workers to retain positive ties with your company.

### **Reduce the possibility of litigation and disclosure of proprietary information**

One in five small and mid-sized businesses will face an employee lawsuit, at the cost of \$125,000 on average to defend, according to [Inc.](#) Providing outplacement as part of a severance package helps mitigate these types of lawsuits. A severance package generally includes standard benefits such as severance pay and extended health insurance coverage, but can also include additional perks like an outplacement program that will encourage employees to sign severance agreements. These agreements stipulate that in exchange for receiving the severance package, the employees will not sue the company for wrongful termination or additional severance benefits. The agreements can also include non-disclosure and non-compete clauses to protect proprietary company information.

Expanding your severance package to include outplacement can prove effective in reducing the risk of litigation. You'll be better able to incentivize employees to sign severance agreements in a timely manner and focus their energies on future career opportunities.

## How to avoid outplacement mistakes

While outplacement can be of great value to both your company and its employees, some companies do make mistakes that prevent them from realizing the program's full benefits. Common pitfalls to avoid while considering, evaluating, and implementing an outplacement program at your company are:

### NOT INVESTING IN OUTPLACEMENT TO SAVE ON COSTS

Companies that haven't offered outplacement in the past might be reluctant to take on new outplacement costs. Yet this short-term view fails to take into account all the money the company can lose by not investing in outplacement.

Most directly, outplacement programs save companies money by lowering unemployment claims and mitigating costly lawsuits. But by protecting employer brand, outplacement also helps reduce company costs on employment hire and retention—and protect business revenues by better retaining its customer base. When all of these factors are taken into account, it's evident that investing in outplacement has a net positive effect on a company's bottom line.

**71%**  
**OF JOB SEEKERS ARE LIKELY TO CHOOSE A COMPANY OFFERING OUTPLACEMENT OVER ONE THAT DOESN'T, IF ALL OTHER CRITERIA ARE EQUAL.**

Source: CareerArc/Intoo Workplace Flexibility Study

### ASSUMING YOUR EMPLOYEES DON'T WANT OUTPLACEMENT COUNSELING

During a layoff meeting, it's rare for the average employee to ask directly for outplacement. Yet the fact that exiting workers don't specifically request this service is not an indication they don't want or need the service.

In fact, the [CareerArc/Intoo Workplace Flexibility Study](#) found 71% of job seekers are likely to choose a company that offers outplacement over a company that does not, if all other criteria are equal. People offered outplacement do take advantage of the service. At Intoo, for example, we see high activation and use rates for our outplacement program—and job landing rates that are 2.5 times faster for our users than the national average.\*

\*Based on the national average duration of unemployment in April 2019.  
Source: Bureau of Labor Statistics.

## TAKING A ONE-SIZE-FITS-ALL APPROACH

It is best practice to provide all employees—regardless of seniority or length of employment—with outplacement, since all employees can leave Glassdoor reviews and share opinions about your company. That said, different types of employees do best with different levels of services. Entry-level workers, for example, usually require more standard career coaching. Executive and senior-level employees, on the other hand, often benefit from more long-term, personalized **executive outplacement** services. By matching the service level to employee needs, your company can maximize its outplacement investment.

## OFFERING OUTPLACEMENT WITHOUT A COMMUNICATION PLAN

The layoff meeting can be a hectic and emotionally-fraught time, during which HR professionals and managers are tasked with imparting a lot of information to departing employees. Thus, it is helpful to train managers and members of HR departments so they are aware of the full outplacement offering and know how to deliver the information. This way, both the company and exiting employees get the full benefits of the outplacement program.

**INTOO USERS  
LAND JOBS  
2.5x FASTER  
THAN THE NATIONAL  
AVERAGE**

Source: Intoo, U.S. Bureau of Labor Statistics

## Outplacement cost: Factors to consider

Not all outplacement firms are created equal. Before selecting one, make sure to evaluate the outplacement program against your company's specific requirements. The cost of service is important to consider, of course, but investing in a cheap program that doesn't meet your workforce's needs will still be money poorly spent. Here are the main questions to ask when choosing an outplacement program.

**Service:** Are the career transition services offered by this outplacement program the types of services that will be useful to your workforce? Does the program offer individualized services such as one-on-one career coaching and resume review, or does it take a one-size-fits-all approach, offering only a job board and generic career advice? Can the services be tailored for different types of employees, such as hourly workers or executives?

**Terms:** What is the length by of the outplacement program, considering the fact that many people require significant time to find a job that best suits their talents? Can the length of service be extended at a reasonable cost for senior-level and executive employees who often take longer to find positions that match their skills?





**Experience:** Does the outplacement company have a strong record of success? Does it have experience providing executive outplacement as well as outplacement counseling to entry-, mid- and senior-level employees? Who are some past and existing clients, and what industries are they in? What is the landing rate for users of this outplacement program? What are the qualifications of the program's career coaches?

**Technology:** Can users access the services at their convenience through a virtual platform, or do they have to go to an office to receive help? Do the virtual services offer personalized, premium benefits, such as one-on-one coaching with a professional career development expert, or hands-on resume review and editing? Does a virtual program offer more value per dollar spent than a traditional brick-and-mortar outplacement program?

Ultimately, your choice of an outplacement company should take into account both your company's financial resources and your workforce's needs. Skimping on outplacement services can lead to low landing rates for your exiting employees—resulting in a low or negative return for your investment. On the other hand, investing in an expensive traditional program that requires employees to commute to an office to access outplacement services and resources, like meeting with a career advisor, can mean paying high prices for services your employees may decide not to use due to a lack of convenience and accessibility. A tech-savvy solution like Intoo's can address both issues, allowing you to offer premium, easily-accessible services to your workforce at competitive costs for the company.

## How does outplacement work?

What will your employees experience when they begin using an outplacement service? That depends largely on the program you provided for them. But to give you an idea of how an effective outplacement program should work, here's the typical user experience for an employee who is given [Intoo Outplacement](#).

As soon as a user logs on to Intoo's virtual platform, they can immediately start talking with a career coach via video or chat at the click of a button. The coach can give them advice on all aspects of their [career transition](#), from identifying target companies to networking at industry events.

Users can also take advantage of a suite of popular [service features](#), such as assessment tests to figure out what careers they're best suited for, and a resume builder to better market themselves for new positions. They can send their resumes to a professional resume reviewer to receive detailed feedback to make it even better, or take practice interviews via video to receive tips on their words, tone, and body language. A large job database also allows users to search millions of jobs to find ones that match their skills and desires—then find relevant LinkedIn connections through a single click. The virtual platform also includes exclusive workshops and guides on cover letter writing, online networking, and more.

## PROTECT YOUR BRAND AND BOTTOM LINE

Request demo

A virtual outplacement program tends to be more convenient for HR teams too. Intoo Outplacement, for example, allows HR professionals to log on and see real-time information about their workforce's platform usage and satisfaction rates with the outplacement program.

The one feature a virtual outplacement program doesn't allow for is in-person coaching meetings. While some may perceive this to be a drawback, many people today prefer to receive coaching without having to schedule an appointment far in advance or attend a coaching session across town at an office. Plus, the video interface allows users to access coaching on demand and still gives them a "face-to-face" conversation experience.

A drawback for outplacement in general is that some programs can be expensive, putting companies in the position of only being able to offer the service to some employees. However, outplacement costs for virtual programs tend to be lower, allowing companies to extend the service to all employees.

## The future of outplacement

Because companies today see the importance of protecting brand image, outplacement is becoming a more standard benefit given to departing employees. A number of different business sectors already offer outplacement as a common practice; tech companies in particular have been quick to embrace virtual outplacement, according to [Recruiter.com](#). And these companies are more likely to extend outplacement programs not just to executive and senior-level employees, but to all employees, as reported by [TLNT](#).



## Four things to keep in mind

This guide provides you with the core information you need to make decisions about outplacement for your company. Here are the key takeaways to remember:

1. Outplacement benefits both employees and employers.
2. By offering outplacement, employers can reduce costs associated with unemployment benefits, wrongful termination lawsuits, employee retention and recruiting, customer retention, and brand management.
3. Outplacement firms must be carefully evaluated to give your workforce the career transition support it needs, and your company the brand protection it seeks.
4. Virtual outplacement has grown in popularity due to its convenience, effectiveness, and affordability.

While this guide provides a good overview of outplacement, experiencing an outplacement program firsthand will give you a clearer sense of its benefits, features, and capabilities. [Request a demo](#) of Intoo Outplacement today to learn how our outplacement program can support your company's unique needs.



### ABOUT INTOO

Intoo is the career development and outplacement flagship for Gi Group, a global leader in HR and talent solutions with 20+ years of experience in delivering high-touch, people-focused programs to more than 20,000 companies around the world. Our focus on personalized coaching and technology innovation enables organizations of all sizes to protect their employer brand throughout the employee lifecycle, with flexible candidate experience, career mobility and outplacement solutions. Intoo's award-winning outplacement solution delivers better results as employees depart your organization, with candidates landing 2.5x faster than the U.S. national average time it takes to find employment.

**For more information on how Intoo can protect your employer brand and help departing employees land new jobs faster, visit [Intoo.com](https://www.intoo.com) or call 888 879 9357 to schedule a demo.**