



Newland Associates



A CAREER PARTNERS INTERNATIONAL FIRM

Performance...Through People

Outplacement Practices Survey Central Florida

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Introduction

2009 has been an incredible year, where massive layoffs, poor consumer confidence and the debacle of our financial markets have shaken our economy in ways not seen in over a generation. The practice of Outplacement or Career Transition is often reshaped in moments like this, so we felt it would be prudent to conduct a survey of Outplacement practices in the Central Florida Region, and provide some contrasts with what we know are national and global trends in the industry.

We want to thank the members of the 80 organizations that took the time for collaborating with us by participating in this project.

We hope you enjoy this survey and find the information useful.

Sincerely,

Robert Newland, President

Why do an outplacement survey?

Organizations utilize outplacement services for many reasons. Outplacement allows employers the opportunity to be good corporate citizens by providing departing employees a service that enhances their ability to find a job. This positive behavior by organizations is a great employee engagement and retention strategy, sending a "we care" message to employees that remain in the organization.

Most people are not good at looking for work because they don't "practice" job searching often; they spent the bulk of their professional lives "working". Job searching is a learned skill that requires adequate training.

Outplacement also allows employers to mitigate potential risks associated with layoffs. Departing employees who are guided through a process that focuses on their future success are less likely to invest time in frivolous employment lawsuits or discrimination complaints. Case in point, the number of EEOC (Equal Employment Opportunity Commission) claims of alleged discrimination has risen by 15%, part of which can be attributed to the massive layoffs being experienced in this economy and the corresponding toughness of the current employment market.

Some laid off employees can pose a threat to their own safety as well as that of others. They can also compromise the security of company facilities, materials, products and even intellectual property or other confidential information. Having access to an outplacement program can assist departing employees channel emotions in more productive ways.

Clearly, outplacement is of tremendous value to organizations in times like this. It allows them to demonstrate good core values to departing employees, the community in general and the employees that remain in the organization.

Highlights of findings

1. There is a high degree of uncertainty in the Central Florida Region that will continue through the end of 2009 and will likely carry to Q1 of 2010. A significant number of organizations (42%) are not expecting to hire, and a large group (41.9%) is either anticipating layoffs or evaluating alternatives.
2. Organizations with over 500 employees are more likely to layoff personnel and organizations in the 101 to 500 employees range are more likely to hire.
3. Over 1/3 of organizations offer some kind of outplacement service for executives and managers. Of those, as many as 65% also offer outplacement services to support staff and hourly white collar workers.
4. More outplacement services are offered to employees in organizations with fewer than 100 employees and 101 to 500 employees.
5. The clear favorite for outplacement services is one-on-one individual programs, followed by outplacement group sessions. A smaller percentage of adoption (24%) is demonstrated for virtual outplacement services.
6. Smaller organizations (fewer than 100 employees) had the strongest preference for individual programs (80%) versus group programs (37.5%).
7. Most companies offer 1 week of severance for every year of service. There are, however, many variants to how this is structured including job function and case by case situations to name a few.

About Newland Associates, a CPI Partner

Newland Associates is a leading full-service talent management firm. The company is part of Career Partners International (CPI) with over 200 locations in 45 countries worldwide. We support our clients' profitable organization performance through people. Newland Associates provides customer-centered strategic talent management services in the areas of:

- Talent Acquisition
- Talent Development
- Career Transition
- HR Consulting
- HR Technology

With over 17 years experience in talent management, Newland Associates creates and delivers solutions that leverage its extensive collective knowledge, the expertise of its consulting staff and the latest in technology. For questions on this survey or any of the services provided by the firm, call (407) 771-4141, or email to info@enewlandmail.com.

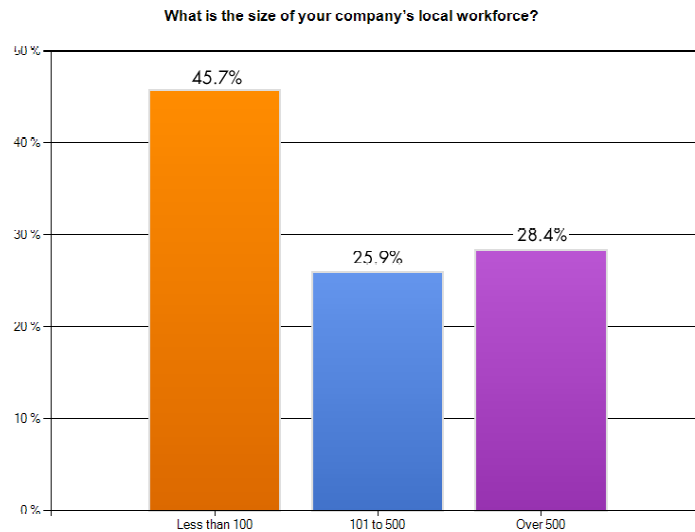
Survey Results:

1- Survey participants' composition

We found our sample to be a good mix. Exactly 80 organizations participated, with more than 51% of them from Orange County, 15.7% and 12.9% operate in Polk and Brevard, and the remainder is spread out over Volusia, Seminole and Lake County.

As far as industry, the top categories were Consumer with 24%, Financial and Government with 14% each, Healthcare and IT with 11% each, Hospitality with 8% and Transportation with 6%.

Our sample also had a diverse distribution by size of local workforce. 45.7% of them have less than 100 employees, 25.9% are in the 101 to 500 and 28.4% are in the over 500 category.

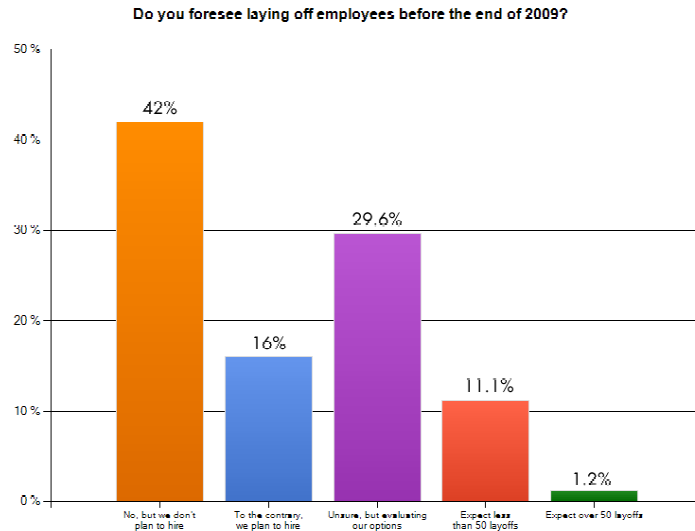


As you read through the analysis, you will find some interesting contrasts by organization size. We found this to be very telling about outplacement practices, and where layoffs may come.

2- Do you foresee laying off employees before the end of 2009?

Over 42% of respondents did not expect to reduce personnel before the end of this year, but only a small percentage (16%) plan to hire. On the other hand, 12.3% of respondents expect to layoff staff, and an amazing 29.6% have not made up their minds and continue to evaluate alternatives.

This data matches well to national forecasts, where most outplacement firms feel that while the worst of reductions in personnel is over, there is still another significant wave of layoffs to be expected by the end of Q4, 2009 through Q1, 2010.



Digging deeper into the data, you learn that organizations with fewer than 100 employees have the largest number of participants that are not looking to hire (62%). While this group has the 2nd largest number of forecasted layoffs with 14%, it also has the smallest percentage of uncertainty with only 8% of organizations still unsure about their options concerning reductions in force. It also has the 2nd highest percentage of organizations that will hire with 16%.

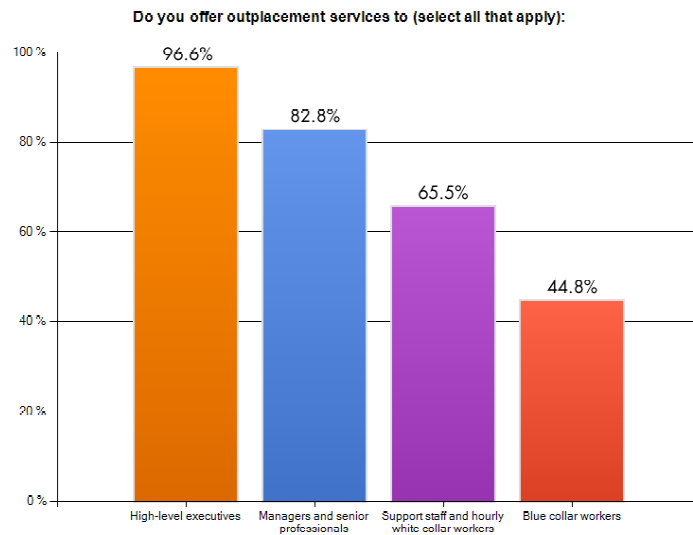
When you look at the data to analyze organizations with 101 to 500 employees, you can see the highest percentage of “planning to hire” with 19%, compared with 16% and 13% for organizations with less than 100 employees and organizations with over 500 employees respectively. This group also showed the smallest amount of organizations expecting to layoff personnel with only 5%, although the percentage of organizations in this group still unsure about their plans consisted of 38%.

Organizations that employ over 500 people led the group with 17% of them expecting layoffs, and a significant portion of them (57%) still evaluating their options. They also represented the smallest percentage of organizations that are planning to hire before year's end with only 13%. This could spell trouble for Central Florida's employment outlook in the near term.

3- Who receives outplacement services?

Of the 80 respondents in this survey, 28 organizations (35%) offer outplacement services. In the over 500 employees category, a total of 65% of companies offer outplacement services; with the percentage dropping down to 27% and 25% respectively in the groups of 101 to 500 and fewer than 100 employees.

The overwhelming majority of the organizations that offer outplacement do so for executives, managers and professionals, while over 65% of them offer also outplacement to support staff and other hourly white collar workers. Only 44.8% of these organizations offer outplacement services to blue collar workers. Overall, organizations in the fewer than 100 employees and the 101 to 500 employees categories offer outplacement services to a larger segment of their workforce when compared to those in the over 500 employees category.



In the over 500 employees category, 38% of organizations offer outplacement at all levels; 92.3% offer these services to executives, 69.2% offer them to managers and senior professionals, 53.8% offer them to support staff and hourly white collar workers, and 46.2% offer them to blue collar workers.

100% of organizations with 101 to 500 employees offer outplacement services to executives and managers and senior professionals. The support staff and hourly white collar workers receive these services in 80% of the organizations in this category, while blue collar workers receive services in 60% of them.

Executives also receive outplacement in 100% of the respondents within the fewer than 100 employees category, but only 90% provided the same treatment for managers and senior professionals. 70% of organizations in this group provide services to support staff and hourly white collar workers and 60% does this too for blue collar workers.

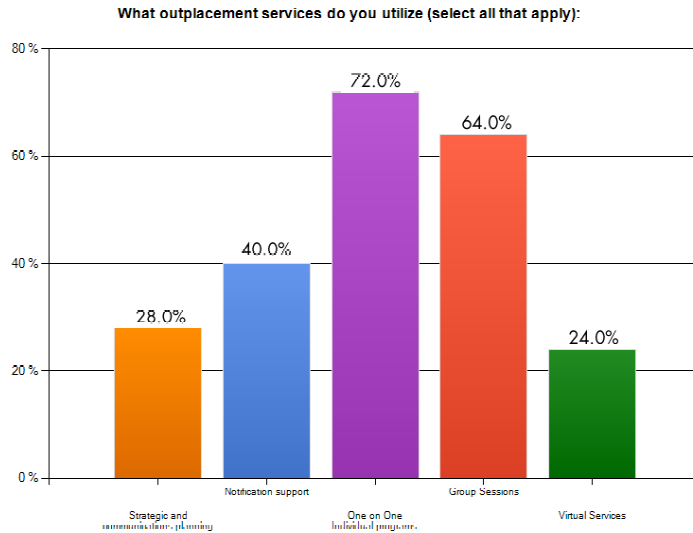
Our partner research indicates that globally, larger organizations tend to offer outplacement services more often than their smaller peers. Larger organizations, faced with shareholder pressure to find faster results to the financial challenges of the current business climate are more likely to perform significant reductions in personnel, but they are also more likely to look for ways to reduce the costs for outplacement services.

However, the smaller counterparts tend to provide more in-depth programs with a stronger focus in one-on-one services, or group programs with individualized service components.

4- Types of outplacement services used by organizations

Over 70% of respondents that use outplacement selected one-on-one individual programs as their top service choice. A close second was group sessions with 64%. On-site notification support services were utilized by 40% of respondents and 28% retained strategic communications and planning services. Virtual services were utilized by 24% of respondents.

These results are aligned with program participant surveys within the CPI Partner group, where 98% responded that their Career Coach (the main element of individual programs) was an “important” or “very important” component of their programs, compared with 50% for seminars and events.



One-on-One Individual Programs – 80% of respondents in the fewer than 100 employees category offered some kind of individual program, ranking highest in the survey. A close second, the respondents with over 500 employees came in with 72.7%. Organizations with 101 to 500 employees came at a distant 3rd with only 50% of respondents offering individual programs.

Group Sessions – The top performer here was in the 101 to 500 employees category with 100% of respondents offering group sessions of outplacement services. Larger organizations (over 500 employees) utilized group sessions in 63.6% of them. The smaller organizations (fewer than 100 employees) demonstrate a strong preference for individual programs, where 80% respondents affirmed their utilization of these services, as opposed to only 37.5% of respondent utilizing group sessions.

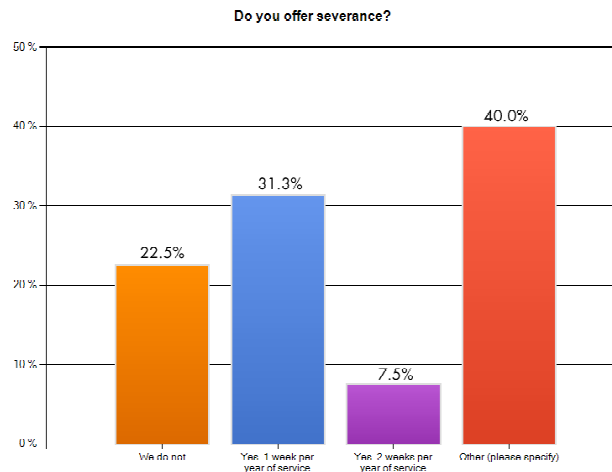
Notification Support – This service was utilized by 50% of respondents in the 101 to 500 employees category and over a third of the respondents in the over 500 employees and fewer than 100 employees categories.

Strategic & Communications Planning – Over a third (37.5%) of respondents in the fewer than 100 employees group use strategic and communications planning services, with this figure dipping slightly to 33.3% in the 101 to 500 employees category. However, organizations with over 500 employees show a remarkable drop with only 18.1% of them utilizing these services. This can be explained by the volume and frequency of layoffs in larger organizations and the know-how derived from that experience.

Virtual Services – Not surprisingly, organizations in the fewer than 100 employees category have only small percentage of respondents (12.5%) making use of virtual services. The 101 to 500 employees group seems to be the early adopter of technology-driven outplacement with 50% of respondents asserting they utilize virtual services. Only 9.1% of organizations having more than 500 employees utilize virtual services, although we are certain this figure will increase steadily over the next few years.

5- Do you offer severance?

While not an outplacement service, severance is an important benchmark for many organizations so we included a question relating to this issue in our survey. Nearly all participants answered this question, with 22.8% affirming they do not offer severance, 31.6% affirming they offer 1 week for every year of service, and 7.6% affirming they offer 2 weeks for every year of service. There was also a significant portion (39.2%) responding "other", providing an ample variety of alternatives including: case by case, topping severance based on a certain amount of years of service, different levels of severance depending on the job function, or depending on the termination situation.



41% of organizations with fewer than 100 employees do not offer severance, followed by 17% of organizations with over 500 employees and only 5% of respondents in the 101 to 500 employees group affirmed they do not offer severance.

Of the organizations that offer severance, respondents in the over 500 employees group were divided 39% to 9% between 1 week severance versus 2 weeks severance respectively. 24% of respondents in the 101 to 500 employees group offered 1 week; 14% offered 2 weeks of severance. The fewer than 100 employees category had 27% of respondents offering 1 week of severance. It also had the lowest percentage of respondents offering 2 weeks of severance with only 3%.

Glossary of Outplacement Terms

One-on-One Individual Programs: These programs are often utilized in executive, manager, professional and some white collar non-exempt workers. Participants are assigned a Career Coach that guides them through the program, providing insight to career options, marketing strategies, networking skills, preparing resumes, job search strategies, interview coaching and job offer negotiation, among other things.

Additional Programs: Service providers like Newland Associates offer alternatives to those program participants that elect other avenues for their future. These include retirement coaching programs, self employment and entrepreneurial coaching.

Group Sessions: These highly interactive sessions are usually one to three days long and are often utilized for blue collar workers, white collar non-exempt workers, and sometimes at the manager and professional level. They follow the same pattern and content of the individual programs but are delivered in a group environment. Groups are usually small enough to be handled by a Career Coach in such a manner that some personal attention can be directed to individual needs of participants.

Virtual Outplacement Services: Delivered through a state of the art online career transition portal, encompassing the components of traditional outplacement programs with a more self-service approach. There is often direct contact with a Career Coach, which can happen in person or via telephone for a blended service approach (see below).

Blended Outplacement Programs: There are various combinations entering the market. Primarily, group programs followed by additional one-on-one time with a Career Coach and/or access to online career transition portals, or virtual outplacement services with a component of one-on-one services.

Notification Support and Training: A Career Coach will be on-site to aid in the process of notifying employees about their layoff. Firms will also train clients in proper notification practices. This support is critical to ensure that mistakes are less likely in the process of notification. It also helps the departing employees to focus on their future sooner, mitigating risks for the employer.

Survivor Workshops: Often called change management sessions, these workshops are conducted with employees that survive a layoff; in other words, those who will remain employed. They are used as a stress release valve where employees can express their thoughts and emotions through a non-management outlet. These programs are a great tool to help employees regain focus and rally behind the organization and their future together.

Strategic and Communications Planning: Organizations unfamiliar with significant reductions in force will utilize the expertise of outplacement firms to plan layoffs including timing, logistics, location, team coordination, etc. Outplacement firms are also utilized as a sounding board when crafting messages to departing employees, those who will continue in the organization, the media and the community in general.

For more information,
please contact Newland Associates, a CPI Partner
by phone (407) 771-4141,
or email info@newlandmail.com

Thank you!