



## Exit Smiling

*Outplacement firms help laid off employees cope with job loss and assist companies hand out pink slips with a human touch.*

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"We train managers on how to notify employees about a layoff. We coach them on what to say and what not to say. Sometimes, we even write scripts for them." —Anita Belani, Country Head (India), Right Management

When Sharad Mishra lost his job with a large IT multinational three months ago, he was devastated. Unable to break the news to his family, he would leave home every morning and pretend to go to work. After spending the entire day at a coffee shop or a mall, he would return home late in the evening, just as he did before. This charade would have continued for some more time had it not been for the intervention of a counsellor, appointed, ironically, by Mishra's former employer. The counselling sessions helped Mishra and his family deal with his job loss and look ahead.

"It felt nice that we had someone to talk to—someone who wasn't judgmental or preachy and who helped us in every possible way," recalls Mishra's wife. "It took us some time, but we soon realised a layoff wasn't the end of the world—tomorrow would be another day," she says. Today, when her husband is deciding between two job offers, she says, they are indebted to the counsellor, who helped them tide over the worst crisis of their

life by encouraging them to stay positive.

These counsellors are part of a new breed of companies that provide what are called outplacement services (the politically correct term is career transition support). Right Management (a Manpower Inc company) and Lee Hecht Harrison (an Adecco SA firm), two of the largest global players and the pioneers in India, say outplacement seeks to lessen the pain associated with downsizing, whether it's on account of business restructuring, an economic downturn or a merger/acquisition. "Losing a job is a traumatic experience, especially in a country like India, where social status is linked to success at the workplace," says Sudhakar Balakrishnan, Managing Director & Chief Executive Officer of Adecco India. "That's where we step in. Our job is to help these people make a smooth career transition."

Outplacement is new to India, but it is a common practice globally, where it has been around for about two decades. It has gathered momentum in India in the past few months, with the slowdown forcing several Indian companies to let go of people.

It's not as if layoffs are new to India. They've happened before, but never in such large numbers. "Companies have handed out pink slips in the past, but these were small, isolated cases," says Anita Belani, Country Head-India, Right Management. "The magnitude of layoffs that we are seeing today is unprecedented. Globally, such massive layoffs aren't new, but in India, they're happening for the first time. With such large-scale layoffs, companies are keen to protect their image and reputation. Hence, they are turning to us for help," she says.

Although both Balakrishnan and Belani are tightlipped on outplacement figures for India, unconfirmed sources say each of these players is managing a few thousand mandates. Not surprising, as a host of Indian companies in IT, retail, financial services, telecom, airlines, real estate, among others, which were until now adding to headcount in anticipation of robust growth, are today struggling with a bloated staff base and dwindling business.

### **Not Just Placements**

Outplacement, contrary to popular perception, is not just about finding employment for the laid off. It's about the impact of a job loss on a person's life. It's about tackling issues like "why me, what will I tell my family, how will I manage finances", among other things. Counsellors help candidates (and their families) look beyond the bitterness, and realise that a layoff is a business decision and does not reflect on an individual's capabilities.

After the initial rounds of emotional counselling, discussions move to career talk—what they want do in the future. Counsellors help candidates identify their key strengths and develop a value proposition around it. For example, a technical person with good communication skills can be positioned as a sales or marketing person. Mock interview sessions are conducted—candidates are coached on how to respond to questions on a job loss. They also get assistance in resume writing. The final stage is outplacement support, helping people find jobs by referring them to an in-house placement cell. This is where, say, a Right Management's association with Manpower (a global leader in employment services) and Lee Hecht Harrison's association with Adecco (the world's

largest human resources company) comes in handy.

According to Belani, many people find jobs on their own. “What they lack is confidence. Once they overcome this initial reluctance, they are able to reach out to their friends and acquaintances and explore the job market they don’t know off,” she adds. This end-to-end offering—which involves managing change, job-search coaching and outplacement support—is what makes companies like Right Management and Lee Hecht Harrison useful for companies looking to ease the pain of downsizing.

### **The Opportunists**

With outplacement catching on, a lot of small HR shops are entering the fray, with not-so-successful outcomes. Says Balakrishnan: “You have to take a holistic, approach to outplacement; doing bits and pieces doesn’t work.” He recalls a prospective client telling him how its HR vendor messed up an outplacement assignment, causing much embarrassment to the company. Apparently, the HR firm took the list of names given to it by the company and mailed it to 10 placement consultants. Employees were livid that word had got out and the company was saddled with a lot of negative publicity.

Outplacement deals vary depending on the profile of candidates. Typically, it’s a three to four months programme for senior executives and one to two months for junior executives. Costs range from Rs 50,000-60,000 per person at the junior level to upwards of Rs 1-1.5 lakh per person at the senior level. Payment is usually staggered: 70-80% of the money is paid on completion of the coaching sessions and the balance on job placement.



Losing a job is a very traumatic experience, especially in India. That’s where we step in. We try to help these people make a smooth career transition. —Sudhakar Balakrishnan Managing Director & CEO, Adecco India

Companies are willing to pay because outplacement protects their HR branding. On the one hand, it ensures that existing employees remain motivated and, at the same time, people who are leaving do so without badmouthing the company. In fact, both Right Management and Lee Hecht Harrison say they are now starting to engage with clients even before notification day. Belani says: “We are training managers how to tell employees about a job loss. We coach them on what to say and what not to say. Sometimes, we even write scripts for them.” She adds that managers are often either apologetic about the turn of events or rude and aggressive, both of which result in a big mess. Early intervention helps because delays only increase negativity, thereby compounding the problem.

### **Sensitive Issue**

Outplacement is a highly sensitive topic in India—no company wants to talk about it. Belani explains: “Layoffs are seen as a part of life in the West, so companies and the people impacted take it in their stride. In India, people are cagey because they fear negativity.” Besides, she adds that the flak that a few companies received recently because they weren’t able to manage layoffs well has only added to everyone’s reticence.

So, even if companies are spending good money to lessen the pain of separation and keep employee morale high—a good HR move—mum’s the word. But they have good things to say about outplacement firms. Like this testimonial sent by a firm: “Right Management trained our managers well in handling downsizing situations. They brought in deep insights in the way they dealt with questions related to restructuring and handled notification meetings. They were present on notification day to help both the managers and impacted employees.”

Candidates, too, seem happy. Rajeev Mukherjee, a former employee of a financial services firm, says: “The training I received has made me more confident of facing any interview or job situation.” Another executive, who did not wish to be named, said his counsellor handheld him through one of the most challenging periods of his life. “The coaching enabled me to move from despair to commitment,” he adds.

Globally, outplacement is a \$10 billion business. No figures are available for India yet, but sensing a good opportunity, some other global biggies are believed to be readying for their India foray.

Recently, BTI Consultants (a global search firm specialising in CEO and senior-level searches) teamed up with outplacement experts Ayers Group to enter India. But with signs that the economy is bottoming out and the worst could be over for corporates, will the outplacement boom be short-lived?

Both Belani and Balakrishnan say their outplacement business is going strong and that there hasn’t been any let-up in client engagement. But they admit that maintaining the tempo in times of growth will be a huge challenge. “We are exploring new opportunities. For example, M&A-related business restructuring is one area that may pick up when growth returns,” adds Balakrishnan. But, for now, business is good.