

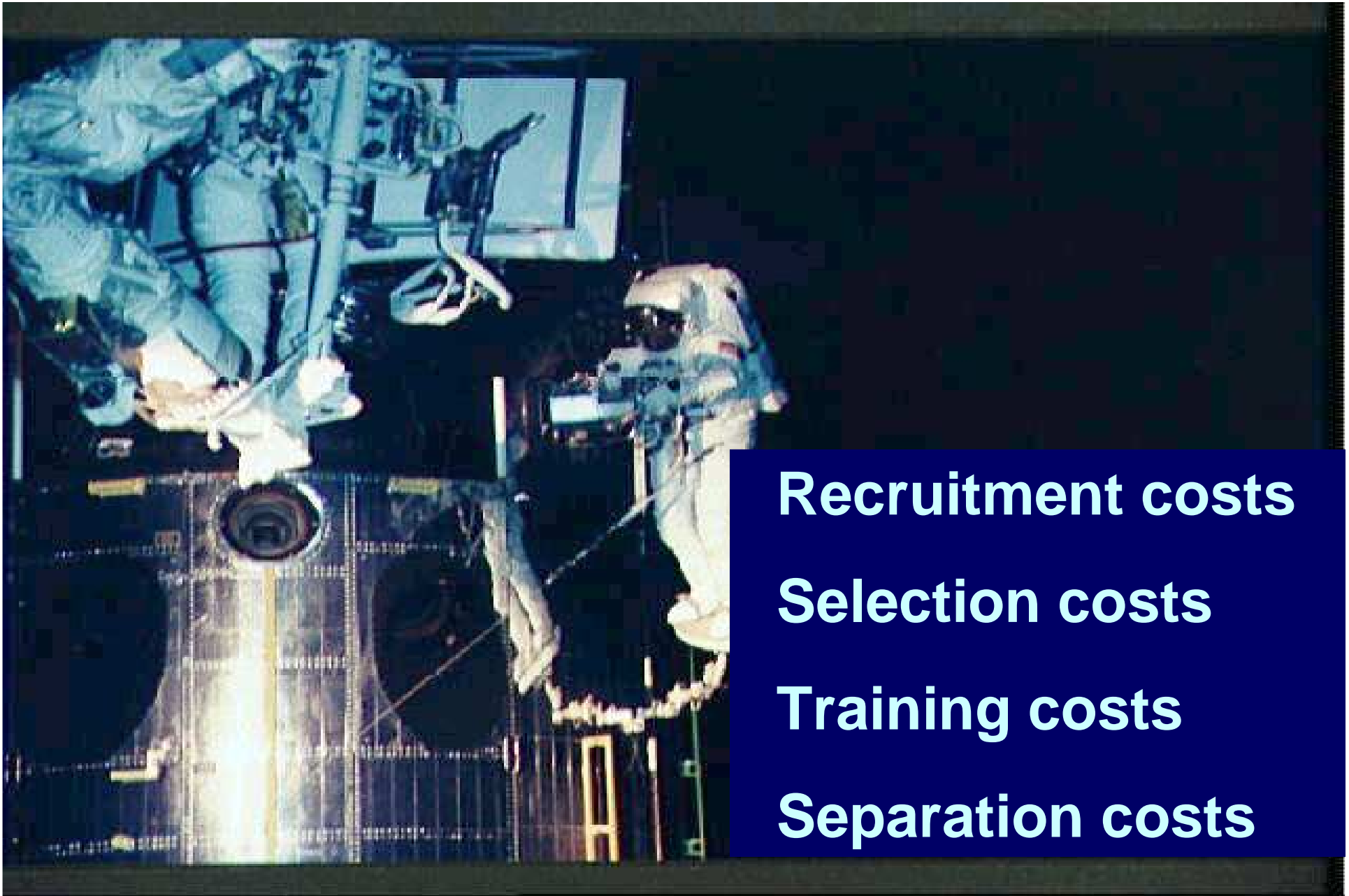


# Managing Employee Separations, Downsizing, and Outplacemen t



# HR Challenges...

- What are voluntary and involuntary separations?
- What are fair and effective HR policies for separations, downsizing, and outplacement?
- How can legal issues be minimized in separations?



**Recruitment costs**  
**Selection costs**  
**Training costs**  
**Separation costs**

# Benefits of Separation...



- Reduce labor costs
- Replace poor performers
- Increase innovation
- Opportunity for greater diversity



## Voluntary Separation...

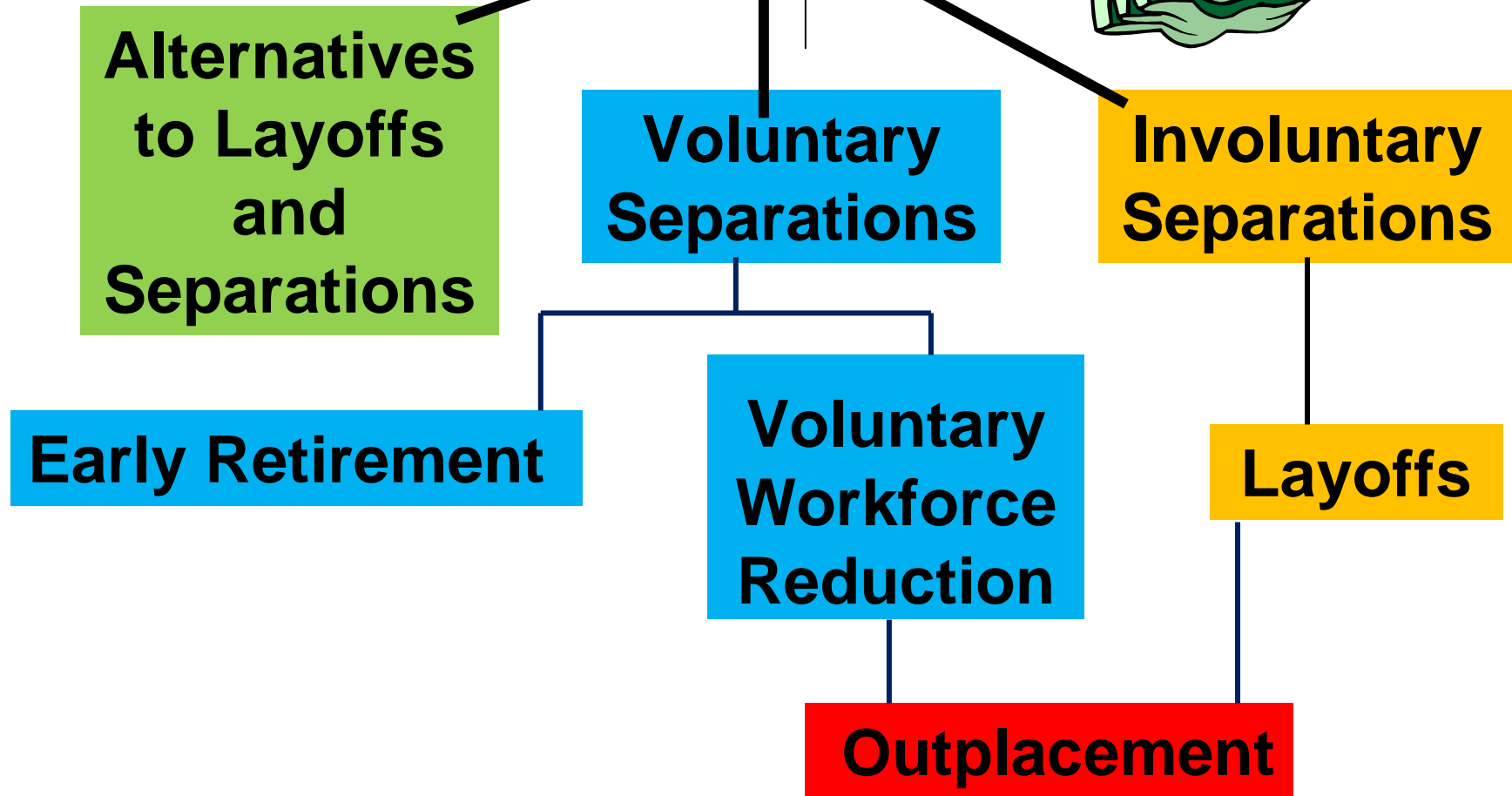
Employee decides,  
for personal or professional  
reasons,  
to end the relationship with  
employer.



## Involuntary Separation...

Employer terminates relationship  
with employee due to  
economic necessity or poor fit  
between employee and  
organization.

# Cut Labor Costs by...

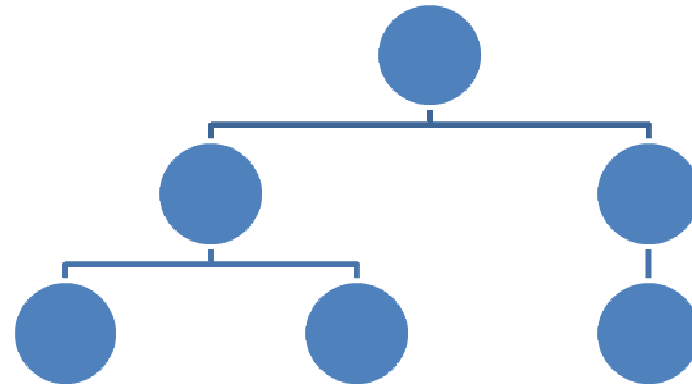


# Alternatives to Layoffs

## Changes

in:

- Employment Policies
- Job Design
- Benefits





# Change in Employment Policies

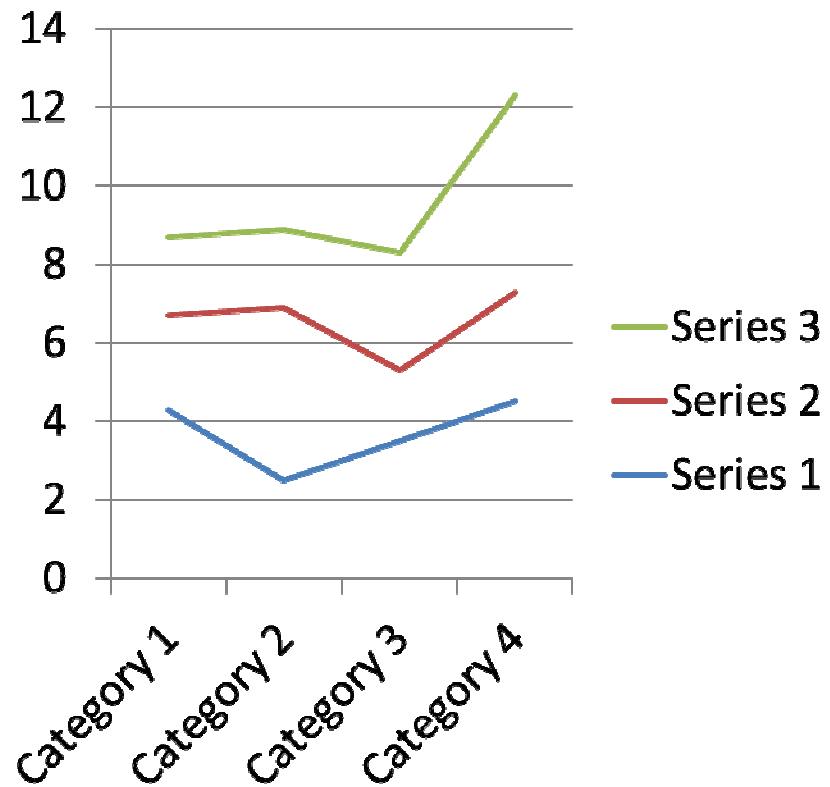
- Reduction through attrition
- Hiring freeze
- Cut part-time employees
- Cut internships or co-ops
- Voluntary time off
- Leave of absence
- Reduce work hours

# *Change in Job Design*

- Relocations and Transfers
- Job sharing
- Job rotations
- Job enlargement
- Demotions

# Changes in Benefits

- Pay freeze
- Cut overtime pay
- Use vacation / leave days
- Pay cuts
- Profit sharing or variable pay



# Worker Adjustment and Retraining Notification Act of 1988

U.S. employers with **100** or more employees must give **60** days' advance notice to employees who will be laid off from plant closing or separation of **50** or more workers.

# In the Process of Separation...

- Give as much warning as possible for layoffs
- Use a private office
- Be clear
- Allow no time for debate
- Maintain the integrity of all

# In the Process of Separation...

- Don't rush employee off-site unless security is an issue
- Put everything in writing
- Provide outplacement services away from company
- Express appreciation, as appropriate

# Goals of Outplacement



Reduce morale problems of employees about to be laid off

- Minimize litigation
- Assist separated employees in finding comparable jobs quickly

# Exit Interviews

- **Use skilled interviewers; assure confidentiality**
- **Ask open-ended questions; avoid interrogation**
- **Respond to employees' comments**
- **Explain how HR will follow-up**