



Recruiters Seeking Untapped Talent Among Outplacement Firms

Because recruiting and outplacement are the bookends of the employment relationship, recruiters may find opportunities working with such firms on several levels. And, as recruiters find themselves out of work, outplacement may offer a new career path for those ready to shift their perspective.

By Fay Hansen - March 2009

Manpower Inc.'s countercyclical star is Right Management, the world's largest outplacement services provider, with headquarters in Philadelphia and 2,500 employees worldwide. In the fourth quarter of 2008, when the rest of Manpower's divisions tumbled, Right's revenues rose 10.3 percent over the fourth quarter of 2007.

With revenue of \$449.7 million in 2008, Right represents a small part of Milwaukee-based Manpower's \$21.6 billion-a-year empire, but it provides welcome relief from the otherwise grueling environment that now grips Manpower's recruiting and staffing divisions as well as the entire staffing industry.

Right was adding business before the downturn began. Even during the growth phase of the business cycle, employers used outplacement services on a consistent basis to assist employees who lose their jobs during restructurings, technology shifts, and mergers and acquisitions.

"But as the recession has deepened, existing outplacement clients have asked for more services, and we've also added new clients," says Rich Doherty, vice president for client services, based in Right's Seattle office.

Because recruiting and outplacement are the bookends of the employment relationship, recruiters may find opportunities in working with outplacement firms on a number of levels. As layoffs throw millions of qualified candidates into the job market, recruiters can use outplacement firms for efficient sourcing.

In addition, as recruiting levels drop precipitously and many recruiters find themselves out of work, outplacement may offer a new career path for those who are ready to shift their perspective.

Sourcing from outplacement Recruiters now charged with filling positions from swollen markets can tap outplacement firms to help narrow the field.

"Recruiters like our candidates because they are well prepared," Doherty says. "They know how to write a strong résumé and they've received coaching on how to present themselves."

Right uses a variety of channels to communicate with corporate and agency recruiters who might find suitable candidates among its job seekers. For approved recruiters, Right offers a job bank where recruiters can post open positions and create virtual job fairs.

Right also provides a résumé bank for the candidates it is trying to place. "We get a lot of inquiries, particularly from companies that are looking to trade out talent and upgrade," Doherty notes. "Savvy recruiters recognize the advantage of recruiting our candidates."

Right's job resource consultants also reach out directly to corporate and agency recruiters.

"In most local markets, outplacement specialists have a relationship with the retained search firms," Doherty says.

Doherty notes that while employers are laying off workers, many are interested in exploring the possibilities for re-employing their displaced employees.

"Our outplacement clients have asked us to help them be creative in maintaining relationships with their laid-off employees through contingent and project work," he says. "Despite the downturn, employers are still concerned about talent issues down the road."

Keystone Partners, a career management services firm based in Boston, also reaches out to recruiters through several channels to place job seekers from the firm's outplacement clients. Keystone has seen a steady increase in its outplacement work over the past six months as existing clients expand their requests for services and new clients come on board.

Keystone posts synopses of job seekers on its Web site and actively contacts recruiters.

"Both contingency and retained recruiters see us as a good source for candidates," says Elaine Varelas, managing partner. "It is important for companies to understand that when a recruiter brings in a candidate through an outplacement service, that doesn't mean the recruiter hasn't done his or her job."

Keystone also brings in recruiters to speak to job seekers about how they can best work with recruiters. In these sessions, the recruiters explain the sourcing and hiring process and how contingencies work.

Many corporate and agency recruiters are now closely monitoring layoffs.

"Some corporate recruiters are very proactive and contact us to inquire about layoffs at another company," Varelas reports. "They let us know that if we are handling the outplacement services, they want to see the candidates. And, they let us know which jobs they are interested in filling and the type of talent they are looking for."

Outplacement advantages Surveys conducted by Right indicate that a substantial majority of employers now offer outplacement services.

"Some industries have been hit very hard by the recession, and employers recognize that a job search within these industries is very challenging," Doherty says. "And increasingly, employers realize that a job search in any industry is difficult under the current conditions."

The current trend among large employers is to offer outplacement services to more employees—in some cases, to all employees.

"We still offer executive outplacement with a very hands-on approach, but we are also using more technology so that employers can make outplacement services available to more employees at a lower cost," Doherty says.

Doherty notes that most of Right's clients say they want to offer outplacement services to their displaced employees because they believe it's the right thing to do.

"But one of the underlying drivers is that providing outplacement services sends a positive message to the remaining employees," he notes.

Employers also remain concerned about talent shortages in the years to come and offer outplacement services to help preserve their employment brand. Doherty notes that many are also concerned about post-termination litigation and offer outplacement services to reduce that risk.

Right carefully tracks how many of its job candidates find work and asks them to report how they discovered new employment. Right assists job seekers with building and tapping their personal networks, and 45 percent to 50 percent report that they found new positions through this approach.

More than 30 percent report that they found work through Internet channels; about 5 percent used traditional methods such as responding to newspaper ads.

"Only 15 percent land a new job through an in-house recruiter or a recruitment agency," Doherty says. "This is because many jobs are simply not put out to the market. In general, people are getting jobs, but it may take longer than it normally would."

At Keystone, Varelas stresses the advantages of using outplacement specialists to plan any workforce reduction. Consultants can advise the employer on all aspects of a termination or layoff, including scheduling the day of notification and developing scripts to announce the reduction.

Outplacement services can also boost organizational resilience, Varelas notes.

"It is very important to re-recruit the retained employees through communication and support and carefully reviewing with them the mission and culture of the organization," she says. "Some employers are reticent because they are afraid to make promises to the remaining employees, but employers can still communicate to them that they are valued."

Keystone maintains relationships with a number of contingent employment firms.

"In some cases, candidates need a temporary job for financial reasons, but we try to find them temporary positions that will also enhance their competitiveness in the market," Varelas says.

Varelas advises employers to become knowledgeable about outplacement services before selecting a firm.

"This is particularly important because companies that provide only online services are marketing to employers. These services are never adequate. Online services are very valuable as an enhancement for consulting. Personal support is crucial, even if it is only one hour of strategy discussion and consulting."

The price range for outplacement services varies considerably by job category and the extent of services provided.

According to Varelas, an employer might expect to pay \$500 to \$1,000 per employee for nonexempt workers. Outplacement services in this price range would cover a one- or two-day program for groups of 12 employees each, with some individual consulting included and online support provided.

For outplacement services for managerial employees, the price might range from \$3,000 to \$5,000 per employee. For senior executives, the range would be \$6,000 to \$10,000 or more for top executives.

New career path for recruiters Keystone has outplacement specialists who are former recruiters.

"Recruiters are good in the job development role and some of them are good at one-to-one counseling," Varelas notes.

The skill sets for recruiting and outplacement work overlap, but recruiters looking for work with outplacement firms may need to shift their perspective.

"Outplacement work is relationship-driven, and some recruiters are more accustomed to transaction-driven work, so they may not be a good fit," Varelas explains.

Recruiters interested in working at an outplacement firm should enhance their relationship-building skills and emphasize the talent management planning and consulting aspects of their work experience.

To improve their skills and job possibilities at outplacement firms, recruiters should also understand that outplacement work is exploratory.

"Recruiters are used to looking for a candidate to fill a specific job rather than exploring all career possibilities for a job seeker," Varelas says.

Right is not hiring recruiters.

"We rely on experienced career management people, and recruiters generally only have one piece of the skill set that we need," Doherty says. "But we have people on staff who were recruiters, and recruiters can think about the skills they have that might allow them to transition to outplacement.

"They can connect with outplacement firms to determine the additional skills they need. There are jobs out there in outplacement services."