

Press Release

The Five O'Clock Club

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FOR IMMEDIATE RELEASE

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The Art of the Layoff:

Wanna Hire Good - Better Fire Good

Layoffs continue at record pace, despite tight job market

NEW YORK -- It seems to be happening everywhere -- Lucent, Dell, AOL Time Warner, Gillette. They've announced layoffs, but they still need to continue to hire, often for different kinds of positions.

An organization's ability to attract the best talent is influenced by its goodwill in the marketplace, which will be strongly impacted by how it handles terminated employees. As they hire and fire almost simultaneously - for a wide variety of reasons - employers need new exit strategies to develop a good reputation so they can attract the kind of employees they want.

"The workplace today is circular, not linear," according to Richard Bayer, Chief Operating Officer.

"Employees don't come in and stay. They come and go and intermix with people outside. They tell dozens of people how they were treated when they were let go. What they say influences the company's image—and ability to hire. If an organization wants to compete and hire well it must give attention to the way it lets people go."

Richard Bayer notes that, "Crass firings harm an employer's reputation and ability to attract the best employees. New termination policies are needed."

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The Five O'Clock Club: The Art of the Layoff

While employers need to prepare thoroughly for the meeting with the terminated employee, **it is not enough to offer a great severance package. In those few cases in which former employees have taken legal action, it is usually because they felt poorly handled during the meeting itself.** Attention should be paid to the following issues:

- Explanation: The employee wants to know "what went wrong." People are more likely to be able to go forward if they are given an explanation.
- Contribution: The employee is listening for a kind word about past performance, a mention of the employee's contribution and strong points that have been valued.
- Peer Perception: There is the matter of pride: how will the departure be portrayed to the remaining workforce?
- Package Information: There are the pragmatics: how am I going to survive? Have available full written summaries of severance benefits, prepared with as much care as the benefit booklets handed to new hires.
- References and Other Help in Finding the Next Job: Discuss other issues, such as professional references, so the employee can formulate a strategy to move forward.
- Departure: Allow people to return to familiar surroundings and share reactions with friends —to proceed with some degree of normalcy for the time being. This is part of the empowering process.

The Five O'Clock Club is the nation's premier career counseling network. It is the only career program in which members meet with professional counselors and peers on a regular weekly basis in a friendly, club-type format. The Club offers small group career counseling across the U.S. and Canada.

Richard Bayer, Ph.D., and economist, ethicist and author on labor economics, is the Chief Operating Officer of The Five O'Clock Club. He is a frequent guest on local and national media including the TODAY SHOW, CNN and others. He and the Club have also been featured in *The Economist*, *Success* magazine, *FORTUNE* magazine and other publications. Dr. Bayer is co-chair of The Employment Roundtable, and a member of the Board of Workforce America (The Five O'Clock Club's not-for-profit arm, which helps adults in Harlem).

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