

## Restructuring and Outplacement in the Netherlands

Ellen Heuven, Arnold Bakker and Wilmar Schaufeli

**The** aim of the present chapter is to analyse which set of integrative, preventative and curative measures employers can take, and have taken, in the Netherlands to secure the wellbeing of dismissed workers, and to support their job search processes. Companies can follow three types of strategies to guide their workers in the current dynamic labour market. They can:

1. empower their employees with appropriate skills, training and working experience in order to secure their position on the labour market
2. treat their employees fairly, so as to reduce the potentially negative psychological consequences of dismissal, and thereby enhance the job search process in terms of speed and quality of reemployment
3. offer their redundant employees guidance and outplacement support, to assist them to cope adequately with their dismissal, both practically (i.e., training labour market skills) and psychologically (i.e., support in the grieving process).

These three strategies, employability, justice and outplacement, are the core of our present research proposal.

In order to comment on these three central issues, we conducted an extensive qualitative study in the Netherlands (see Appendix A). The project involved a general inventory, interviews with individuals in insecure jobs, individuals who were successfully reemployed following dismissal, case studies from restructuring and outplacement processes, and finally interviews with major stakeholders in these processes.

We start by reviewing the labour market situation in the Netherlands, and its existing employment and reemployment interventions. Then we describe proactive and preventative measures that may reduce the psychological damage to employees of restructuring processes. The central issues are justice and employability. This part reflects content interviews with a group of 'job-insecure' people and a group of 'successfully reemployed'

people. This chapter also draws information from several cases of good practice and from interviews with stakeholders (e.g., human resource managers, labour unions, employers) who have been involved in restructuring and reintegration processes. All these have allowed us to draw some conclusions as to what constitutes good practice for conducting restructuring in a manner that reduces the psychological damage of these operations. Finally, we give a description of the most important findings on the specific topic of outplacement. This part aims to give a description of the Dutch outplacement market, and also describes the specific components and effects of outplacement.

## The Economic and Public Context in the Netherlands

### *Development of the Labour Market*

Between 1994 and 2000, the Netherlands experienced a period of strong economic growth, increased employment and decreased unemployment. This development resulted in a tight labour market, tending towards full employment. Disability became an increasingly important reason for dismissal, while dismissals for economic reasons and collective dismissals became less dominant. Companies continued restructuring during this period, but few employees had to face unemployment, as the possibilities for replacement and outplacement in such a tight labour market were abundant. Following the attacks in the United States on September 11, 2001, however, this situation changed dramatically. Most large companies, such as banks, airlines and information technology companies were faced with large restructuring operations and mass dismissals. However, it is important to note that most of the study that is referred to here was conducted in the context of a tight labour market and strong economic growth.

A flexibilisation of the labour market has taken place in the Netherlands during the past decade. The flexibilisation of work that took place in the 1990s has become obvious in the growing number of flexible and part-time contracts, as well as increased internal mobility. Voluntary external mobility has declined over the past decade. In the Netherlands, the new worker is 'job hopping' within his or her own enterprise, but is not inclined to change companies often.

Another important background variable is the famous Dutch Polder Model (Tjong, 2005). Since the beginning of the 1980s, consultations between employers, employee representatives and governmental bodies have formed the basis for decision-making on labour market issues in the Netherlands. These so-called tripartite negotiations with respect to socio-economic problems have become known as the 'Polder Model'. The 1982 Agreement of Wassenaar, considered one of the pillars of this model, stipulates, among other things, that employees (represented by the unions and the works councils), and employers (represented by the company's management and employers' federations) are primarily responsible for the

negotiations on collective labour agreements, restructuring, dismissals and social plans. The Dutch government provides for the legal framework of these negotiations. The Polder Model, which recommends frequent negotiations between unions and employers and that all involved parties strive for satisfactory compromise, has resulted in the development of a historical relationship of trust, in which both parties consider themselves to be partners rather than opponents. Under this model the social partners, comprising employers and employee representatives (unions and the works council), are responsible for collective labour agreements, for wage negotiations, and for jointly finding appropriate solutions for ameliorating the potentially negative social consequences of restructuring and dismissal. The favourable relationships between the social partners have allowed for the creation of a business climate that promotes corporate social responsibility, ethical entrepreneurship, and socially responsible practices in dealing with corporate reorganisation, redundancy and dismissals. However, important differences exist between large companies on the one hand, and small- and medium-sized enterprises on the other, in planning, managing and implementing reorganisations and dismissals. Large companies in the Netherlands generally establish clear scenarios, laid down in collective labour agreements or other regulations, for how to manage restructuring processes and its social implications for the staff involved. For small- and medium-sized companies these arrangements may be set out in a sectoral collective labour agreement, but more often are not defined.

Over the past three decades there has been a clear shift in the negotiations between the social partners with regard to securing the position of employees on the labour market. During the 1970s and the beginning of the 1980s, securing lifetime employment within the same company was the main aim of labour unions. In the case of dismissals, the so-called first generation social plans aimed to provide financial compensation for job loss. Starting in the 1980s, a new philosophy and strategy became common in the negotiations between the social partners. This philosophy, incorporated in the second generation social plans, was aimed at using part of the financial compensation for guiding employees in finding another job. Psychological guidance, training of labour market skills and active job search were some of the elements offered by internal mobility centres, temporary employment services and outplacement agencies to achieve this aim of avoiding unemployment. Finally, during the 1990s, a new development was set in motion, in which both companies and unions started to promote a more proactive approach towards restructuring and dismissals. The concept of lifetime employability, which was aimed at facilitating and softening the process of occupational transitions, gained importance in the collective bargaining agreements between the social partners. Although this concept needs further development, fine-tuning and implementation, the

social partners have embraced employability as the most important means to secure the labour market position of Dutch employees.

### Public Interventions

The so-called *SUWI (Structure Implementation Work and Income) Act* of January, 2002 has brought about important institutional and conceptual changes in the social security system in the Netherlands. The major focus of this law is to promote work above income. However, all respondents stated that the shift from state care towards corporate and individual responsibility is not easy. In the Netherlands the idea of the caring state is still predominant among both employers and employees. In the last decade, the Dutch government has initiated major policy measures, aimed at a more efficient reintegration of unemployed and reduced public intervention. Active labour market intervention and preventative measures have received more attention while the spending on income maintenance programs has decreased. An important measure in this respect is the 'New Deal' policy ('*Sluitende Aanpak*', in Dutch), in which each unemployed person is offered training, a work experience project or a job within 12 months of commencing unemployment. This policy, targeting the newly unemployed, aims to prevent long-term unemployment by means of early intervention. The privatisation of the reintegration activities of the Public Employment Service (PES) and the reorganisation of the social security system are other important developments towards further efficient reintegration of unemployed individuals in the Netherlands. Finally, the Dutch government aims to encourage the reintegration of the unemployed by tightening the criteria and sanctions for people receiving unemployment insurance benefits.

## Restructuring in the Netherlands

### The Legal Framework

The Netherlands has a system of dismissals that is unique in Europe. The so-called 'dual dismissal' system incorporates two different paths for employers to lay off staff. The first involves the 'quick' procedure by the cantonal (regional) judge, which brings about expenses for the employer. The cantonal judge decides on the legitimacy and necessity of the dismissal request, as well as on the financial and social compensation that should be offered to the dismissed employee. The second path is the so-called preventative dismissal test by the PES, which is free of charge for employers. In this test, the PES evaluates the necessity for dismissal and the just application of selection criteria. Recently, several changes have been proposed in this system in order to increase the efficiency, uniformity and speed of dismissal procedures.

Within the framework of the Dutch Polder Model, the ministerial intervention in reorganisation and dismissal is kept to a minimum, and is left to

the negotiations between the social partners. The state does, however, provide for an elaborate legal framework in which these negotiations take place, and which is aimed at securing the position of especially vulnerable employees and employee representatives. The major aims of the governmental dismissal policy are to protect vulnerable groups on the labour market against illegitimate lay-off, to reduce the access to the social security system by stimulating replacement and outplacement of redundant employees, to ensure that employers provide for justified grounds for dismissing employees, and that objective selection criteria are being applied properly. Furthermore, interactive justice is anchored in Dutch legislation. In the case of collective dismissals, the Dutch legislation provides for regulations that oblige employers to involve and inform employee representatives (unions and works council) in a timely fashion.

Within this legal framework social partners have anchored principles with regard to conducting reorganisations and dealing with their personnel consequences in a socially responsible manner. These principles are laid down in collective agreements, social statutes or other sorts of formal arrangements. The collective labour agreements are increasingly aimed at creating possibilities, rights and instruments to assist employees in taking responsibility for their own careers by offering instruments for developing employability. In addition, in the event of a company reorganisation, the trade unions, the works council and the employer usually come to an agreement, laid down in a social plan. This scheme regulates the aspects of a reorganisation (or possibly total closure of the enterprise) relative to labour relations, including the decision on which particular employees are considered to be a surplus to requirements, the actions to be taken in finding them reemployment elsewhere, and the financial compensation that is to be provided to those employees who are actually dismissed. The legal status of a redundancy program varies: it may constitute a unilateral undertaking by the individual employer to the union or works council, or it may form part of the provisions of the relevant collective agreement. No statutory obligation to provide a redundancy program exists in the Netherlands.

In the Netherlands, the debate with regard to legislation focuses mainly on possible flexibilisation and simplification of dismissal procedures. Legislation obliges employers to make carefully considered decisions with regard to dismissing employees, which may sometimes be awkward from a managerial perspective, but which are important for preventing decision-making based on panic, and for protecting (vulnerable) employees. Some parties, such as employers (and their associations) claim, however, that legislation with regard to restructuring and dismissals should become much more flexible in order to allow companies and employers to respond quickly and efficiently to the current dynamic business environment. For example, companies find that legislation sometimes obstructs them from responding adequately and quickly to situations of crisis, during which

bureaucratic dismissal procedures may endanger the survival of the enterprise. Therefore, employers' representatives are strongly opposed to any additional European legislation, guidelines or codes of conduct, but rather are in favour of leaving initiatives to the social partners in order to find tailor-made solutions for each particular restructuring situation. The unions agree that the current legislation offers a solid and elaborate framework for securing companies' social responsibility, and that additional European legislation would have no added value in the Netherlands. Only the legal involvement of employee representatives in decision-making over the social consequences of restructuring should be arranged at a European level.

### *Justice Considerations*

In considering justice aspects within restructuring and dismissal, three main components are distinguishable:

1. Distributive justice: the perceived fairness of decision outcomes, such as amount of financial compensation.
2. Procedural justice: the structural characteristics of decision-making, including formal policies and procedures. In the context of lay-off decision-making these may include selection criteria.
3. Interactional justice: the interpersonal aspects of procedural justice that refer to the type of interpersonal treatment people receive throughout the lay-off process, including the adequacy with which lay-off decisions are explained and the levels of respect and dignity in communicating with lay-off victims.

According to instrumental explanatory models, fair treatment symbolises that lay-off victims receive their share of tangible, concrete outcomes over time. According to the group-value model, fair treatment symbolises respectful and dignified treatment, thereby enhancing lay-off victims' feelings of self-worth. Several studies have shown that more intangible aspects, such as communication of lay-off decision-making, and a respectful and dignified treatment by the employer, influence victims' reactions to lay-off in a positive manner, while the amount of severance benefit does not explain a unique variance in their reactions. These findings accord with the core results of our SOCOSE (Social Convey and Sustainable Employability) study, namely that procedural justice, and more specifically, an open, honest, timely and human communication, is of crucial importance to employees in restructuring processes. Good and elaborate communication proves to be crucial both for reducing the stress of job insecurity and dismissal, and for allowing redundant employees to focus more easily on future perspectives. Although the formal, legal and material part of reorganisations seems to be well developed in the Netherlands, the aspect of communication still needs considerable improvement. Managers tend to hide behind formalities and tangible aspects of restructuring in order to avoid emotional confrontations with employees.

In general, the major actors involved in restructuring and dismissals agree that the stakeholder model, in which the interests of all relevant parties are considered, should be adopted rather than the shareholder model. The employers' associations, on the other hand, promote corporate social responsibility from the perspective of the economic self-interest of the company. That is, fair treatment of employees may reduce legal costs from claims, facilitate implementation of decision-making, and help in retaining a favourable corporate reputation and motivating survivors. The unions in the Netherlands claim that the growing emphasis on shareholder value and stock exchange performance is an important threat to the successful Polder Model.

### *Distributive Justice*

In the Netherlands, proactive, preventative and curative measures with regard to (collective) dismissals are well observed by companies, on the whole. That is, redundant employees are usually offered financial compensation, training and outplacement or replacement measures to deal adequately with restructuring and dismissal. Financial arrangements should provide security in the transfer to another job, and compensate for practical and psychological costs of the reorganisation. Also, job support of redundant workers by an outplacement agency is common practice in the Netherlands. Offering outplacement is considered a fair and socially responsible way for the former employer to show concern for its dismissed employees. Most interviewees state that support in finding another job should be limited in time, varying between 6 months and 2 years. The arrangements laid down in the social plan generally include additional measures for vulnerable groups such as older workers. In our study, employees aged between 45 and 55 proved a particularly vulnerable group in the context of reorganisations. In general, this group cannot benefit from favourable arrangements for older workers included in the social plan, but have limited chances of easily finding another job. Finally, with regard to proactive measures, the majority of the respondents in our sample were actively offered training, job rotation and career management advice in order to increase their employability.

### *Procedural Justice*

The majority of the respondents in our study claimed that the settlement of their dismissal was correct but that the process leading to their dismissal was unfair. That is, they experienced high distributive justice and low procedural justice, which clearly had a negative effect on their total experience of the restructuring and dismissal process. Respondents were shown to be more positive at the beginning of the outplacement if their interests had been clearly considered by their former employer, and if they had been given the opportunity to exert influence over the dismissal decision or its personal consequences. Respondents were generally more positive about

the decision if they were offered, for example, the possibility of voluntary repatriation, internal replacement or future job description. Respondents emphasise the importance of actual, real influence as opposed to participation of employees as a mere formality.

Sufficient and proper involvement of employees (and/or their representatives) is also an important issue in the negotiations between the social partners. Employers, unions and works councils need to find the right balance between sufficient pace in procedures and clarification of concrete measures on the one hand, and creating support among employees by involving them in decision-making throughout the whole process on the other. Extensive involvement of employee representatives may, in some cases, result in long periods of insecurity about actual outcomes. The strategy followed by unions depends on the specific situation, the nature of the problem and the type of company that is involved. There is a delicate balance between sufficiently involving employees, and thereby creating a much-needed social basis for the restructuring on the one hand, and managing the restructuring in a limited time period so as to reduce insecurity on the other.

Clear, transparent rules and procedures, and a proper application of these regulations supervised by an independent commission, prove to be another important aspect of restructuring. In the Netherlands, there is much discussion among the social partners and in the media with regard to objective procedures for selecting leavers and stayers. The so-called LIFO (last-in-first-out) principle generally needs to be observed. While some parties state that these objective criteria (i.e., seniority) are important for protecting vulnerable groups and for explaining decision-making to the workforce, other respondents say that these criteria obstruct a healthy and high-qualitative continuation of the company.

### Interactional Justice

The majority of the insecure and successfully reemployed interviewees underline the importance of communication as the most decisive aspect of justice, crucial to their perception of the restructuring process. Open, honest, clear, fast and personal information proved to be important both for reducing employee distress associated with the dismissal and for helping employees to focus more easily on future career perspectives. Companies in which management showed concern for the emotional shock provoked by the dismissal, and communicated personally with the respondents, both about the reasons for the reorganisation and about the most advantageous way for the employee to leave the company, proved to provoke less frustration and anger in them at the beginning of their outplacement. The exact reasons for decisions with such far-reaching consequences as dismissals should be thoroughly explained to all individuals involved. Early announcement and a continuous flow of information throughout the whole process of restructuring is another essential responsibility of the company. Individuals should be offered a time-

out period to cope with the shock of their dismissal, and sufficient time to search for another job. Furthermore, companies should inform their employees as quickly as possible and in a personal, face-to-face manner about the consequences of restructuring to each individual. Respondents also indicate the importance of the former employer expressing appreciation in order for the individual involved to focus on the future with sufficient self-belief and self-efficacy. Large companies, in particular, with an extended history of reorganisations often showed a lack of personal, humane communication vis-à-vis their employees.

Although interactional justice proves to be the most crucial element for employees in coping with an insecure job situation, our study indicated that this aspect may need most improvement. Poor communication within the context of restructuring seems not so much deliberate, but rather the result of a lack of skills on the part of managers to communicate in a clear, open and human manner. Managers are often reluctant to communicate bad news that may touch on feelings of anger or frustration in their employees. Managers therefore prefer to neglect this important part of the restructuring process and focus instead on economic figures, rational processes and tangible elements. Some companies deal with this problem by offering their managers training, either general or specific, for the context of restructuring, in delivering bad news and in dealing with negative emotions of employees. In addition, meeting platforms are sometimes created for managers, where they can ventilate their own frustrations and worries with regard to the reorganisation, and can exchange experiences and information about best practice.

### Employability

All major stakeholders in the Netherlands labour market agree that a well-developed employability policy is the most important strategy to equip employees with the necessary skills and attitudes to cope well with occupational transitions. In order to respond adequately to the shift from lifetime employment to lifetime employability, the majority of large Dutch companies have established an elaborate employability policy, or have implemented regulations to stimulate the employability of their workers. As for the middle and small companies, employability measures still need improvement. Over the past decade, measures to further employability have become more structured and formalised (i.e., laid down in collective agreements), instruments to promote employability have become more advanced, companies have developed a more positive attitude towards employability, and individual employees have acquired increasing responsibility for their own labour market position. Broad-based training, task enrichment, job rotation, horizontal and vertical mobility, career management support and internships are examples of techniques that are used to enhance the employability of employees in the Netherlands. Companies tend to put more emphasis on a proactive,

preventative approach (i.e., furthering employability) as opposed to a curative approach (i.e., financial or other arrangements after dismissal). Collective bargaining often incorporates agreements about training, job rotation, personal development plans and career management facilities. The Dutch government has embraced the concept of employability and has defined a plan of action to stimulate the employability especially of low-skilled workers in the Netherlands. Also, the labour unions in the Netherlands support the concept of a more proactive, versus a curative, approach towards restructuring and dismissals. The concept of lifetime employability, aimed at facilitating and softening the process of occupational transitions, has gained importance in the collective bargaining agreements between the social partners. The labour unions have embraced employability as the most important means of securing the labour market position of Dutch employees. In exchange, an employable workforce provides companies with the flexibility greatly needed in the current dynamic, competitive, global market context.

Enhancing employability is generally regarded as a shared responsibility between employers and individual employees. Companies are responsible for adequately preparing their workforce for occupational changes by facilitating and stimulating employability. Employees, on the other hand, should make a continuous effort to learn and to develop their knowledge and skills in order to retain a favourable position on the labour market. Both the unions and the Dutch government are developing new policies with regard to anchoring the responsibility of companies and individuals. For example, in the future, the philosophy of corporate social responsibility might be anchored in the social insurance system by introducing a system of premium differentiation between companies who have put effort in preventing unemployment and others who have failed to do so. Also, there is discussion in the Netherlands with regard to integrating the proper responsibility of individual employees over their labour market position into dismissal legislation. That is, employability might become a future selection criterion or a prerequisite for continuation of the labour contract. The unions in the Netherlands are considering possible sanctions for employees in insecure jobs who have failed to make use of the employability measures offered to them by their employer (i.e., exclusion from outplacement). This is in line with a general tendency of ascribing more responsibility to the individual employee in preventing unemployment and in securing a favourable position on the labour market.

Employability is usually defined in terms of objective features, such as level of education, skills, working experience and age. However, our study has clearly shown that 'softer', more psychological, features such as self-efficacy and personal wellbeing are extremely important in determining the individual level of employability. Employees who feel confident about their own capacities and skills, and their ability to find another job, clearly have

fewer problems in dealing with job transfers than workers who are less self-confident. This specific aspect of employability is positively related to having received fair and humane treatment from the employer. Individuals who have been treated in a fair manner by their former employers clearly need less time to cope with grieving over the past, and are able to focus more easily and with more self-confidence on future job prospects. Thus, engaging in fair and humane treatment in the context of reorganisations and dismissals can be an important way for companies to promote the employability of their redundant employees.

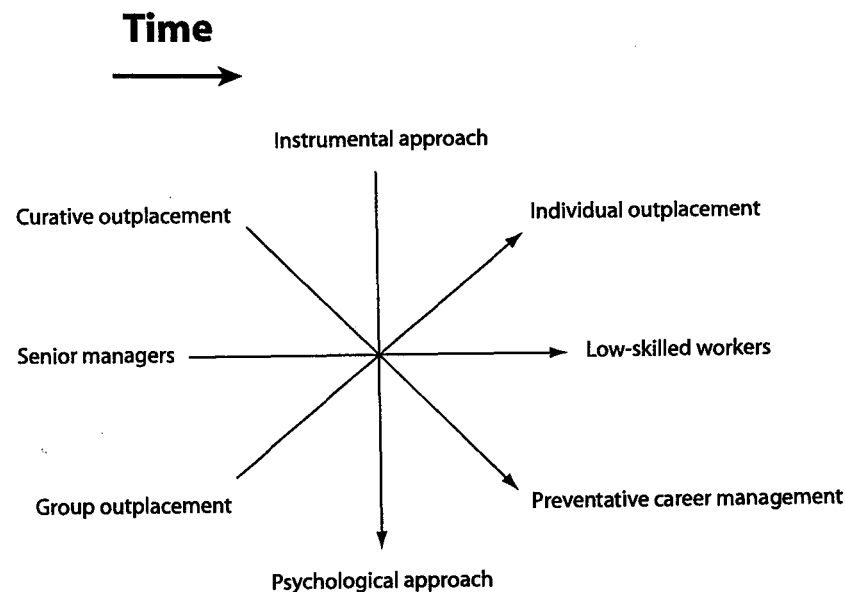
In our sample, age, years of tenure and frequency of change of employer proved to be most decisive for the level of employability. Older employees, with extended years of tenure with the same employer, clearly felt more insecure about their position in the labour market than younger employees who had frequently changed companies. Not the frequency of occupational transitions, but rather the frequency of changing employers proved to be decisive for the level of employability. Respondents who had been working for the same company for many years had much more difficulty in extricating their skills, knowledge, working methods and identities from their former employer.

## Outplacement in the Netherlands

### *The Dutch Outplacement Market*

The Netherlands can be considered a 'best practice' country with regard to outplacement. It represents the country with the highest rates of outplacement in Europe, a long tradition, and a mature and diverse outplacement market, which allows employers to offer redundant workers tailor-made support. Different outplacement and career-management agencies operate in different segments of the market for different target groups using different techniques and strategies. Over the last three decades, outplacement agencies have adapted their strategies to the demand in the market. Beginning as a way to release senior executives from companies in the 1970s, massive restructuring of large companies during the 1980s and 1990s led to the implementation of outplacement strategies for all types of redundant workers, to assist them during their periods of occupational transition. The favourable economic situation in the 1990s and the increasing tightness of the labour market has since motivated outplacement agencies to focus their attention from curative outplacement to preventative forms of career management. In addition, a change in methodology may be observed, in which cookbook-like recipes for dress codes and curriculum vitae layout have changed in favour of a more psychological approach, focused on furthering self-efficacy of the candidate. Outplacement agencies have also become involved at an earlier stage in supporting companies in the restructuring process.

The different segments in the Dutch outplacement market and its historical development can be schematised as shown in the following diagram:



**Figure 1**  
Development and segments of the Dutch outplacement market.

Roughly speaking, the favourable economic situation and tight labour market have induced a shift from an instrumental to a psychological approach, from group to individual outplacement, from curative to preventative outplacement, and from senior executive search to outplacement of individuals at lower levels in the organisation. Another recent development in the Netherlands is the arrival of new participants in the outplacement market. That is, several temporary work agencies have created business units in order not to restrict their activities to the in- and through-flow of personnel, but to take care of the outflow for their clients as well. These types of agencies generally focus on an instrumental, pragmatic, group-oriented approach.

### *Elements Within an Outplacement Intervention*

Outplacement agencies generally offer similar basic elements in their services to their candidates. A general introduction and intake, establishing a personal profile, psychological guidance in the mourning process and in self-analysis, support in labour market analysis, training in application skills, support in job search and matching, and follow-up care are basic activities that are integrated in all the case studies described here. The agencies place different emphases in terms of group versus individual

support, stimulating self-efficacy versus active support in job search and matching, and psychological guidance versus pragmatic support.

Two major elements characterise the basic outplacement procedure:

1. The first aim is to define, with the aid of counselling and guidance, an appropriate and motivating objective for the (dismissed) employee that is realistic and saleable in the labour market. This first part of counselling aims to assist the employee to respond to the questions: 'Who am I, what am I capable of doing, and what do I want?' The objective is to capture the individual's experience, capabilities, personality and motivation, and to match these with current labour market trends. Information is acquired through a series of in-depth interviews and assignments, and a review of the participants' past accomplishments. Common instruments include career and personal surveys, ability analysis and personality profile questionnaires.
2. The aim of the second part of the counselling is to generate an interview for the outplacement candidate. This can be achieved by training him or her in a variety of job search skills and in the identification of suitable opportunities within the labour market. This part of the counselling aims to assist employees to respond to the questions: 'Where can I find what I want, and how do I get there?' Training in networking, curriculum vitae design, verbal presentations and interviews are common elements in this part of the outplacement program.

Some outplacement agencies focus on the first part of the process. The common idea among these consultants is that psychological stabilisation and encouragement of the candidate, who may be experiencing considerable distress and turmoil owing to his or her dismissal, will automatically result in finding him or her the right position. Other agencies put greater emphasis on the second, more pragmatic part of the process in focusing on 'finding a job as best one can, as soon as possible'. There is no single best formula for supporting redundant employees in their transfer to a new job. It is important that the style of the counsellors, the network of the agency and the methods deployed match the specific profile and needs of the target group involved. Some employees benefit most from practical training of basic application skills, while for others, support in psychological stabilisation and furthering self-efficacy prove to be effective. Therefore, tailor-made guidance that matches the specific needs and profile of the individual candidate, in terms of psychological support, and practical aid and training is crucial for the success of the outplacement program. In some cases, support can be restricted to thematic workshops or even omitted in job transfers. Not all dismissed employees need outplacement support for finding another suitable job. However, outplacement could be integrated as a standard in the social plan as a safety net that employees can use on a voluntary basis.



Integrating group elements in the outplacement program can have a positive effect with regard to both task-orientated and emotional support between candidates, and reducing the costs for the employer. Individual elements meet the need for tailor-made guidance and the specific needs and wishes of the candidate. The right balance between group and individual elements depends on the profile of the target group involved on the one hand, and on the budgetary possibilities on the other.

In a similar way, it is important to find the right balance between psychological and practical support. Need for psychological guidance in the grieving process, and in supporting candidates to dissociate themselves from the former employer and focus on future possibilities, depends on the background of the individual involved. For a young, highly employable corporate 'job hopper', for example, the need for this type of psychological support is rather different from that of a low-skilled production worker who has been working in the same factory for 30 years. The same goes for the need for practical support in acquiring application skills and approaching the labour market. The need for psychological support in reorientation depends both on the individual needs and wishes, and on the demands in the labour market. If there no longer exists a need for the type of skills that individuals have deployed during their career, psychological guidance is needed to support the candidate to reorient him or herself towards other possible jobs. As for the right balance between stimulating self-efficacy and taking over job-hunting activities, once again the profile and background of the individual is decisive. Our case studies show that a shared responsibility in job search and matching between the candidate and the agency seems to be effective in many cases. Therefore, it is important that the specific network of the agency matches the profile of the population involved.

### *Success and Failure of Outplacement*

All respondents underline the personal motivation of candidates as one of the most crucial factors in a successful outplacement program. Participation in such programs should therefore preferably be on a voluntary basis. Obliging employees to participate severely reduces the chances of success. Extensive information sessions and the role of labour unions and the works council are important in convincing employees to put their trust in outplacement support. Lack of motivation may result from uncertainty about the dismissal date and about possible internal replacement. Another reason for candidates not to be motivated is the so-called 'golden cage'. The continuation of pay for a certain period, or a financially rewarding separation arrangement can be more attractive than the salary offered by a potential new employer.

People need different types of support to help them find another job. In some of the cases in our study, psychological stabilisation and promotion

of self-efficacy proved to be effective, while other respondents benefited from support in reorientation or skills training. Therefore, tailor-made guidance is crucial for the success of outplacement. The main effects of outplacement that were mentioned in the interviews include the enlargement of employability, knowledge of application skills, awareness of proper skills and abilities, reduction of negative emotions towards the former employer, reduction of feelings of insecurity and a shift in identification with a company towards identification with tasks. Many respondents indicate that without the support of an outplacement agency they probably would not have found another job, or would have accepted an unsuitable job. The lack of active job hunting and networking by the outplacement agency, and lack of tools to evaluate the quality and integrity of agency, were the most important criticisms that respondents put forward.

Outplacement may be considered a means by which a company offers to further the employability of dismissed workers. Our study showed that dismissed employees who had been assisted by their former employers to define their skills, qualities and motivations as existing independently of their former working context, had much more success in finding another suitable job. All respondents underlined the importance of employability in the current labour market in which employees are more insecure about staying with the same company until their retirement. Respondents stressed that outplacement is a specific kind of employability that should not only be deployed as a curative instrument, but be made accessible to all employees in a preventative manner.

The results of the case studies have raised the question of whether outplacement support is necessary for everyone, or should rather be restricted to vulnerable groups such as low-skilled or older workers. Perhaps the best way to deal with this question is to integrate outplacement as a standard in collective agreements or social plans, as a kind of safety net that workers can use on a voluntary basis. Moreover, the necessary period of outplacement may vary greatly among employees. The support should best provide workers with sufficient support and security after their dismissal, but should not have a negative effect on the motivation for job search (i.e., the 'golden cage'). A period between 6 months and 2 years (the latter for vulnerable groups) seems most appropriate.

### **Conclusion**

Employability, justice and outplacement are three main strategies by which employers can secure the position of their workers on the labour market and ease occupational transitions. In the Netherlands, both employers and employee representatives place great emphasis on preventative, proactive measures to ease job transfers for redundant workers. Specifically, employability has become a primary strategic focus for dealing with increasing job insecurity and the demand for flexibilisation in the labour market. With



regard to justice considerations, a greater emphasis on intangible aspects of the restructuring process (i.e., communication), versus technical, material and formal aspects, is important in dealing with workers in a socially responsible manner, and in reducing the possible negative psychological consequences of reorganisations and dismissals.

The processes of employability, fair restructuring and outplacement are closely intertwined. Employees who are treated in a fair manner during the process of reorganisation, and employees who adopt the right skills and attitudes to move flexibly on the labour market clearly experience fewer difficulties in the phase of occupational transition. They need less time to cope with negative feelings towards their employer and can more easily focus on future career perspectives. In considering the social responsibility of companies in the context of reorganisations and dismissals, this seems to be an important issue. Outplacement should not be deployed solely as an instrument to repair the psychological damage and impaired self-confidence of an individual who has been treated in an unfair manner by his or her former employer. Companies who treat their redundant workers in a socially responsible manner can prevent this kind of damage from emerging. In such a case, outplacement can become an opportunity for workers to consider carefully future career steps, particularly with the aid of sufficient time and appropriate instruments and professional support.

Outplacement should not be treated as an isolated practice, but rather should form part of an integrative set of instruments deployed by companies to assist their workers in the current dynamic labour market. Outplacement may be considered one instrument among others to further the employability of individual workers. One could state that in a best-case scenario, a well-developed employability policy could make the use of outplacement unnecessary. Training, internal mobility, preventative career counselling and personal development plans will generally support individuals in guaranteeing a good position on the labour market and in developing the right flexible attitude needed to easily cope with occupational transitions.

## Reference

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## Appendix A

### Summary of Sample Characteristics

Source of data	Description				
	n		Age (years)		
	Total	Male	Female	Range	Mean
Insecure employees	27	14	13	30-60	44
Successfully reemployed	27	13	14	34-62	48
Case studies	8 Dutch companies that were selected for implementation of best practice outplacement/replacement procedures during company restructuring				
Stakeholders	6 human resource managers 12 union and council representatives 3 employer representatives 3 employment services representatives				