

Reputation in Jeopardy by Further Job Cuts

Submitted by: Media Jems

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Companies are putting their brand reputation at risk by embarking on yet further job cuts without implementing appropriate outplacement strategies, according to outplacement specialists Rialto.

Following news that BA is undertaking a new round of job cuts as it struggles with falling revenues, outplacement consultancy Rialto cautions companies that a failure to adequately support staff leaving the business could result in permanent brand damage and poor employee engagement.

In their recent industry report which included the views of 30 global organisations including Caterpillar, AT&T, Nissan and KPMG, Rialto highlighted that many were now seriously looking at alternative cost cutting practices such as secondments, part-time working, bonus deferral and salary and benefits freezing.

But Richard Chimento, CEO of Rialto says that in cases where redundancy is the only option, companies who do not provide adequate support for those leaving the business, could be treading on dangerous ground.

“The first wave of job cuts last year were tough, but we now have people facing the prospect of losing their job after thinking that they’d survived. This will be terrifying for those on the receiving end of new cuts, particularly when we consider how many people who have been made redundant in the past year are still out of work. Outplacement support has never been more critical not only for the welfare of those leaving the organisation but the for the long-term reputation of the company too.

Companies therefore, need to become much more strategic and long-term in their decision about keeping their workforce together. This is a testing time for many companies, but what they do today will position them to look smart as business conditions improve,” says Chimento.

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Notes to Editor

About the Rialto report

Primary research was undertaken with around 30 global organisations, either headquartered in the UK, or with a strong UK presence. These organisations also have global reach in one or more geographical areas. Questions were posed to HR Directors and Operational Board level directors to ascertain activities related to people cost management in the current downturn, and to understand any differences in approach in different geographical areas.

This was not intended to be a statistical survey. Responses were used to confirm or enhance significant secondary research focused on activities currently occurring, and those which have taken place during previous recessions.

About Rialto

Richard Chiumento is Chief Executive of Rialto and a leading expert in the field of executive career transition and outplacement.

Rialto is a professional services firm specialising in executive career services and workforce change management programmes. Their services include executive coaching and career transition support, executive search and interim management provision, outplacement and workforce change management solutions for organisational restructures, mergers, acquisitions, and outsourcing projects.

Clients include: Nationwide Building Society, Barclays, British American Tobacco, Oxford Instruments, The Guardian News & Media, British Nuclear Group, Birmingham City Council, Ministry of Justice, MOD, Linklaters, Dixons Store Group, Ladbrokes and London Business School.

For more information about Rialto visit www.rialtoconsultancy.com

To request a full copy of the report or for any other press enquiries, please contact Amy Larman on 01603 283 503 or email amy@mediajems.co.uk