

## SENDING WORK OFFSHORE REQUIRES HR STRATEGY AT HOME

There is a right way and a wrong way to let employees know their jobs are being shipped overseas.

The right way keeps employees from walking out the door before the outsource-service provider is ready to take work offshore, outsourcing and human-resources consultants told *Financial Outsourcing News*.

A strong HR plan also ensures financial services executives maintain credibility among the remaining staff, they said.

Financial services executives must be ready to tell employees about the company's outsourcing plans as soon as the deal is finalized, said **Barbara Marchetti**, president and founder of **Preferred Resource Group Inc.** Companies must designate a team to manage the staffing changes and the work handover, she said.

"The only thing that comes out of an 11<sup>th</sup> hour announcement is resentment," said Marchetti, whose Andover, Mass.-based company specializes in executive strategy and mentoring.

Executives should first announce the deal with a detailed presentation to the entire company in a forum where employees may ask questions, said **Billie Blair**, president and chief executive of **Leading and Learning Inc.**, a Los Angeles-based firm that

consults on organizational changes.

If a company has several offices nationwide, executives should announce outsourcing plans globally via a video or audio conference, Marchetti said. At a minimum, the office manager should hold a meeting, but

having fewer people make the announcement presents a more unified company message, she said.

When presenting offshore outsourcing plans, company leaders must be as open and honest as possible, said **Brett Seamons**, a management psychologist with Wood Dale, Ill.-based human resources consulting firm **RHR International**. But executives should never make false guarantees, such as promising that no more jobs will be outsourced, he said.

"A company must take great pains to explain why the outsourcing is going on" and give more reasons for going offshore than simply saving money, said **Marvin Goldstein**, a managing partner with New York-based

**Proskauer Rose LLP**, a labor law firm. With a full understanding of the company's motives, employees might still be upset, but they will be more comfortable, he said.

Consultants will start coaching executives as early as a month before the company-wide meeting by

prepping them with potential questions and helping outline presentations, Blair said. "It takes pressure off the executive," she said.

Following the initial announcement, members of the outsource-service provider should then speak to their new client's employees, said **Jeff Cartwright**, an outsourcing transition practice leader with Houston-based consultancy **Equaterra Inc.**

"This shows a very orchestrated, team effort in terms of getting the process completed," Cartwright said. The service provider's team can also discuss whether it has any jobs for the client's employees, he said.

After the companywide announcement, a meeting must be held with those whose jobs are getting outsourced to tell them of openings elsewhere in the company, Blair said.

Most companies will only fill current jobs and do not create new positions for those displaced by outsourcing, Cartwright said. Those options, as well as severance plans, must be discussed during one-on-one meetings, he said.

Financial services companies generally offer additional compensation — 10% to 15% of a year's salary — so employees will stay until the work is transitioned to the outsource-service provider, Cartwright said.

Some companies also offer resume-writing classes and allow employees to print and copy resumes to help with job hunting, Cartwright said.

With jobs going overseas, remaining employees must learn about the culture, work ethic, and quality standards of their offshore partner, Marchetti said. A team from the service provider must also come into the company to better understand its new client's operations, she said. — **STEPHEN BERNARD**

## HR STRATEGY MUSTS TO ENSURE SMOOTH OFFSHORE TRANSITION

1. Create a team to plan the human resources transition and strategy prior to announcing the offshore outsourcing deal.
2. Announce the changes first to the entire company.
3. Articulate the benefits, beyond saving money, for the move offshore.
4. Schedule time for the service provider to explain its new role in the company and to review potential job openings.
5. Meet first with all displaced workers as a group, then individually.
6. Provide displaced workers with a list of vacancies and job-hunting services at the company.
7. Offer a bonus to keep key employees during the transition.
8. Train remaining staff to work with the new provider.
9. Insist the provider study current in-house operations.