

Layoff Aversion (Oregon)

Source: <http://www.oregon.gov/highered/institutions-programs/workforce/Pages/workforce-employers-layoffs.aspx>

If you are considering a layoff of workers, contact your local WorkSource center for rapid response assistance. Local Rapid Response teams can help you navigate through this challenging process and assist with the development and implementation of a transition strategy.

Rapid Response Services are customized to meet employer's and workers' needs.

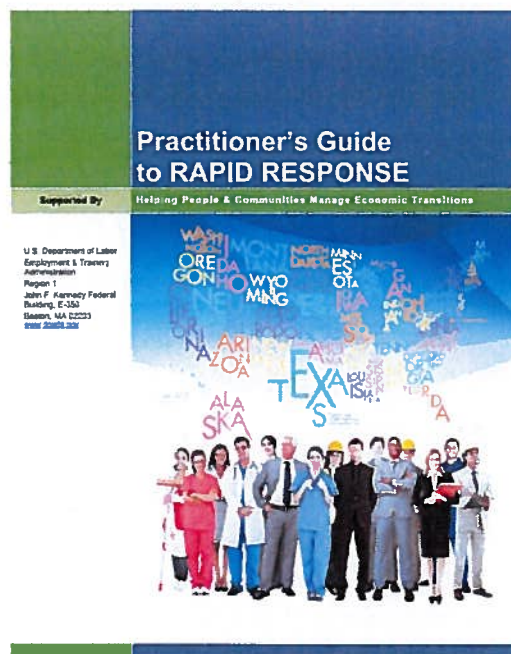
- Many services are funded through the Workforce Innovation & Opportunity Act (WIOA) and are offered at no cost to you or your workers. Early involvement is essential to helping workers prepare to re-enter the workforce as quickly and seamlessly as possible.

Layoff Aversion Is a Cooperative Effort

- An important initial step in Rapid Response is to assess the reason for a business closing or layoff. If there is an indication that the business closing or layoff might be averted, Oregon's Dislocated Worker Unit, in conjunction with the local Rapid Response Teams and other partners can provide technical assistance to interested parties to investigate possible layoff aversion strategies.

For Rapid Response Teams to work effectively, early intervention is critical. For a layoff aversion effort to succeed there must be sufficient time to organize an effective response.

Oregon, and many other states adopted and modified the Practitioner's Guide to Rapid Response



Timeframe	Examples of Layoff Aversion Activities
Ongoing, strategic or administrative activities (regardless of proximity to layoff or potential layoff)	<ul style="list-style-type: none"> • Developing, implementing, and maintaining a state or local layoff aversion policy; • Publicizing the policy; • Creating/sustaining effective partnerships with a wide range of organizations that contribute to layoff aversion strategies; • Gathering data and intelligence related to economic transition trends within industries, communities, or specific employers, and planning strategies for intervention; • Developing early warning networks and systems utilizing data and intelligence gathered; • Identifying heavily concentrated industries (Sector Analysis) in geographic areas and training needs of such workforce and businesses; • Engaging in proactive measures such as business visitation programs or layoff forecasting programs to identify indicators of potential economic transition and to identify training needs in either growing industry sectors or expanding individual businesses; • Connecting employers and workers with short-term training, OJT customized training and apprenticeships before or after layoff and prior to new employment; • Implementing and marketing a Short-Time Compensation program;
More than a year prior to a layoff or potential layoff	<ul style="list-style-type: none"> • Working with businesses to conduct comprehensive studies to identify the true costs of running a business, with the goal of encouraging businesses to continue production within the United States rather than off-shoring; • Helping a company spin off an under-performing business unit to focus on core competencies; • Helping companies to practice continuous improvement in their processes and quality, and constantly looking for opportunities for new products, customers, markets, and business models;
From approximately six months to one year prior to a layoff or potential layoff	<ul style="list-style-type: none"> • Partnering or contracting with MEP or other business-focused organizations to assess risks to a company, propose strategies to address those risks, implement services, and measure impacts of services delivered; • Conducting analyses of suppliers to assess risks and vulnerabilities from potential closings of a manufacturing customer; • Conduct prefeasibility or company valuation studies to determine the possibility for employee buyouts or Employee Stock Ownership Plans (ESOPs), or, more commonly, the sustainability of the company with new products, retooled production processes, or new customers and markets; • Facilitating employer loan programs for employee skill upgrading when available; • Examining alternative business ownership options through economic development partners; • Utilizing TAA for Firms to help employers negatively affected by imports remain competitive and prevent or minimize layoffs; • Working with Unemployment Insurance offices to leverage Short-Time Compensation programs (also called workshare) which help offset the wages of a business' employees during a slow period to prevent layoffs and maintain a skilled workforce

Timeframe	Examples of Layoff Aversion Activities
From approximately six months prior to, up through and following a layoff or potential layoff	<ul style="list-style-type: none"> • Partnering with MEP organizations for activities as mentioned above; • Utilizing incumbent worker training for eligible workers based on state or local rules, including TAA for Workers; • Encouraging use of Short-Time Compensation (shared work) programs in states with such programs incorporated into state UI law; • Ensuring strong connections with reemployment-focused activities within a state or local area; • Holding on-site job fairs or targeted hiring events with nearby business in need of workers with similar competencies or skill sets; • Conducting talent-transfer events or holding reemployment boot camps; • Connecting to labor unions that may be able to assist in accessing skilled workers for other employment, or to help encourage retraining and assessing the training needs of workers before layoffs; • Linking with state or local economic development organizations to match business growth opportunities with available pools of skilled workers, including those currently dislocated or soon to be laid off;

■ Layoff Aversion Requires Strong Partnerships.

Successful layoff aversion strategies and activities require engagement of the full array of programs and resources available through the public workforce system and effective partnerships with a wide range of organizations. A fully networked Rapid Response Team, with partnerships established across the economic spectrum, can directly provide, or facilitate the provision of an array of benefits to address the challenges presented by specific circumstances.

Layoff aversion is as much a service to business as it is a service to workers. By far the most important partner in any layoff aversion project is a willing, engaged employer. Successful projects almost always require open and frank discussions. Because of the delicate nature of information discussed establishing trust is critical. Employers need to trust you'll keep the conversation confidential and you will need to trust you are getting a clear picture of what is truly going on with the company. Trust is the cornerstone of the partnership and it needs to be reciprocal.

It is important to remember that Rapid Response can ensure valuable layoff aversion activities occur even without directly paying for those activities through the establishment of comprehensive partnership networks. Examples of some of these critical partnerships, along with the activities they engage in or resources they provide, are highlighted below:

Partner(s)	Activities/Resources
Manufacturing Extension Partnership Centers, Trade Adjustment Assistance (TAA) for Firms, International Trade Administration	<ul style="list-style-type: none"> • Prefeasibility Studies • Lean Manufacturing or Retooling Manufacturing Processes • Six Sigma • Accessing New Customers or Markets
Business community, including individual employers and aggregators such as industry associations and Chambers of Commerce	<ul style="list-style-type: none"> • Company Matching/Instant Labor Exchange • Layoff Forecasting • Early Access • Productive Referrals
Small Business Development Centers	<ul style="list-style-type: none"> • Succession Planning • Loan Programs
Non-governmental layoff aversion-focused organizations	<ul style="list-style-type: none"> • Early Warning Systems and Data • Prefeasibility Study Support • Training and Technical Assistance
Organized Labor	<ul style="list-style-type: none"> • Early Warning Intelligence • Training • New Employment • Peer Counselors
Registered Apprenticeship	<ul style="list-style-type: none"> • Customized Training • OJT
Educational institutions	<ul style="list-style-type: none"> • Targeted Training • Incumbent Worker Training • Short-Term Training • Customized Classroom Training
Local Workforce Boards	<ul style="list-style-type: none"> • Incumbent Worker Training • Customized Training • OJT
Community- and Faith-Based Organization	<ul style="list-style-type: none"> • Early Warning Data • Other Direct Services

Partner(s)	Activities/Resources
Unemployment Insurance	<ul style="list-style-type: none"> • Data Gathering/Early Warning Systems • Short-Time Compensation (STC)/Work Sharing
Banks, Accountants, and associated industry associations	<ul style="list-style-type: none"> • Early Warning Data • Connections To Businesses
Private Outplacement/Staffing Firms	<ul style="list-style-type: none"> • Early Warning Intelligence • Enhanced Services To Workers • Strong Connections To Business Sector • New Employment Opportunities
Regional Economic Development	<ul style="list-style-type: none"> • Early Warning Date • Real Time LMI • Connection To Regional Economic Development Activities • Leverage Resources Across A Wider Array of Partners

One of the most important and valuable partners for layoff aversion can be the [Manufacturing Extension Partnership \(MEP\)](#) program, part of the National Institute of Standards and Technology, an agency of the U.S. Department of Commerce. MEP works with small and mid-sized U.S. manufacturers to help them create and retain jobs, increase profits, and export their goods. Innovation is at the core of what MEP addresses. MEP serves an essential role sustaining and growing America’s manufacturing base, and the MEP assists manufacturers in product, process and market innovations, leading to more customers and new sustainable jobs in the high paying advanced manufacturing sector. The nationwide MEP network provides a variety of services, from innovation strategies to supplier scouting, product commercialization, export assistance, process improvements and green manufacturing. MEP’s field staff is comprised of 1,400 technical experts – located in every state – serving as trusted business advisors, focused on solving manufacturers’ challenges and identifying opportunities for commercial growth, including workforce pipelines and development. MEP has a history of working with the workforce system, including Rapid Response teams, across the country to help manufacturers find and train workers and avoid layoffs.



Additionally, MEP offers its clients a broad range of resources in five key areas:

1	TECHNOLOGY ACCELERATION
2	SUPPLIER DEVELOPMENT
3	SUSTAINABILITY
4	WORKFORCE
5	CONTINUOUS IMPROVEMENT

MEP's relationships with manufacturers and the national network of partners and technical experts provide them with insight into the manufacturing industry. Through these close relationships; MEP representatives are often alerted to early warning signs of a struggling enterprise which could lead to layoffs or even a business closure. This could include information related to financial problems, supply chain issues, ownership challenges and/or mismanagement, declining sales and other matters. Like Rapid Response, MEP's mission is to address those challenges and avert a situation where there would be a loss of jobs.

MEP, with its network of technical and industry experts, and Rapid Response, with the strength of the workforce system to draw from can form a powerful alliance. All Rapid Response teams can benefit from connecting to their state or local MEP representative. A strong relationship will strengthen your early warning network and provide a wealth of options in devising layoff aversion strategies.

Link: TEN 38-11

[Benefits of Collaboration Between State/Local Workforce Investment Boards and the Manufacturing Extension Partnership \(MEP\) Program](#)

Examples of Layoff Aversion Activities. The following are just a few examples of allowable layoff aversion activities, paid for either thru WIA funds or by leveraging resources from partners. Though not all are paid for through Rapid Response directly, these activities, or those that yield similar results, are critical components to creating a layoff aversion system with the capacity and capability to accomplish layoff aversion goals.

- Developing early warning networks and systems to gather data and intelligence related to economic transition trends within industries, communities, or at specific employers, and planning strategies for intervention;

- Ensuring effective early intervention to link employees being downsized to growing employers in need of skilled workers, eliminating or limiting the duration of unemployment; this may include the need to incorporate short-term training, OJT, customized training, and more, before or after layoff and prior to beginning new employment;
- Engaging in proactive measures such as business visitation programs or layoff forecasting programs to identify indicators of potential economic transition and to identify training needs in either growing industry sectors or expanding individual businesses;
- Developing strategic partnerships;
- Planning for and organizing incumbent worker training programs, especially for companies identified through early warning networks though Rapid Response or local formula funds cannot pay for incumbent worker training directly (without a waiver from ETA), Rapid Response can identify, plan, and develop these programs;
 - Incumbent worker training is allowed under the statewide activities provision of WIA without a waiver;
- Linking to shared work programs where applicable;
- Using on-the-job training projects to help move workers more quickly from downsizing employers to those that are hiring;
- Linking with state or local economic development organizations to match business growth opportunities with available pools of skilled workers, including those currently dislocated or soon to be laid off;
- Connecting to labor unions that may be able to assist in accessing skilled workers;
- Conducting prefeasibility studies to determine the possibility for employee buyouts or Employee Stock Ownership Plans (ESOPs), or more commonly, the sustainability of the company with new products, retooled production processes, or new customers and markets;
- Conducting talent-transfer events or holding reemployment boot camps;

For a more in-depth look at Layoff Aversion, review the Layoff Aversion Tool Kit found at:

URL and site under development.

