

# **“Federal Requirements and Best Practices in the Delivery of Rapid Response Services”**

**Training for  
Individuals Responsible  
for  
Delivering Rapid Response Services  
In  
Ohio’s Workforce Development System**

**Presented by:  
Lynn Minick  
Workforce Development Specialist  
National Employment Law Project**



# What do we know?

On a scale of 1 – 10, how good is the State's rapid response system? How about local rapid response?

Have you done rapid response? How many? Length of notice?

Number dislocated? Union(s)? Outplacement firm?

Did you talk about aversion? Did you promote the formation of a labor-management committee?



# Why Job Loss Occurs

**Plant closing and mass layoffs occur for variety of reasons in periods of both economic expansion and decline and may include:**

- **Financial difficulty**
- **Mergers and acquisitions**
- **Loss of markets**
- **Consolidations**
- **Foreign competition**
- **Product or service obsolescence**
- **Shift in parent company focus**



# Why Job Loss Occurs continued

**Corporate conglomerates frequently close or sell plants or facilities which:**

- **May be profitable but not profitable enough**
- **May sell or close operations which no longer meet their core business application**
- **Which are viewed as excess capacity to their overall operations**
- **Labor-management issues may contribute to decision to locate facility elsewhere**
- **Other factors**



# Why Job Loss Occurs continued

**When closely held business is sold:**

- **Loss of jobs may occur if the new owner restructures the company**
- **Owner's retirement can cause business closing in the absence of successor**
- **Other factors**



# Corporate America's Description of Downsizing

- Release of resources
- Competitive builddown
- Career-transition program
- Employee out placing
- Schedule adjustments
- Reengineering
- Management Initiated Attrition (MIA for short)
- Normal payroll adjustment
- Negative hiring
- Decruiting



# Titles for a Worker Losing Job

- Unemployed worker
- Laid off worker
- Dislocated worker
- Displaced worker
- Furloughed worker
- Worker in transition
- Wall hanger
- “Early-retired” worker



# What is Rapid Response?

## Definition Under WIA

**Rapid response activity- - The term “rapid response activity” means an activity provided by a State, or by an entity designated by a State, with funds provided by the State under section 134(a)(1)(A), in the case of a permanent closure or mass layoff at a plant, facility, or enterprise, or a natural or other disaster, that results in mass job dislocation, in order to assist dislocated workers in obtaining reemployment as soon as possible, with services including-**



# What is Rapid Response? continued

- (A) the establishment of onsite contact with employers and employee representatives- -**
- (i) immediately after the State is notified of a current or projected permanent closure or mass layoff; or**
  - (ii) in case of disaster, immediately after job dislocation as a result of such disaster;**
- (B) the provision of information and access to available employment and training activities.**



# What is Rapid Response? continued

- (C) assistance in establishing a labor-management committee, voluntarily agreed to by labor and management, with the ability to devise and implement a strategy for assessing the employment and training needs of dislocated workers and obtaining services to meet such needs;**
- (D) the provision of emergency assistance adapted to the particular closure, layoff, or disaster; and**
- (E) the provision of assistance to the local community in developing a coordinated response and in obtaining access to State economic development assistance.**



# Ohio's Rapid Response System

Described in  
**STATE OF OHIO**  
**Strategic Two-Year Plan**  
**For Title I of the**  
**Workforce Investment Act of 1998**  
**and the**  
**Wagner-Peyser Act**  
**For the Period**  
**July 1, 2005 – June 30, 2007**  
**(see handout)**



# What is role of Dislocated Worker Unit?

- **Receive WARN notices**
- **Receive any other type of notification, i.e., employer, media, UI, local sub-state grantees, labor**
- **Respond to news of dislocation immediately after notice**
- **Response to company and union(s) and local elected officials**



# What is role of Dislocated Worker Unit?

- Early intervention is important and required
- Arrange meeting with company and union officials
- Information gathering from company and union
- Explore layoff aversion
- Assist in establishing Labor-Management Committee



# Role of State Dislocated Worker Unit and Rapid Response Specialist

- Discuss and arrange worker informational meetings
- Discuss and arrange for needs assessment of workers
- Coordination of services, Unemployment Insurance, Employment Services, Workforce Investment Act, Trade Act
- Coordination of services of local Worker Investment Areas, local WIB and One-Stop Centers
- Assistance in applying for National Emergency Grants (NEG's)



# Early Intervention - Information Gathering

- **Early response is critical**
- **If there is indication that business closing or mass layoff might be averted the Dislocated Worker Unit should provide technical assistance to interested parties to investigate possible layoff aversion strategies**
- **Can include a pre-feasibility study for company or group, including workers, to purchase plant or company and continue operations**
- **Layoff aversion initiatives are authorized and may be funded under Workforce Investment Act**



# Develop Layoff Aversion Strategies

**Business closures and layoffs are difficult to prevent but it is sometimes possible to avert major dislocation. Ohio and local government and communities should:**

- **Use pre-feasibility studies**
- **Implement business retention strategies such as:**
  - **Explore options for management or employee buy-outs or sale to other parties (ESOPs)**
  - **Plan for succession in family-owned firm**
  - **Assist with business financing**
  - **Assist with restructuring the business**



# Develop Layoff Aversion Strategies

continue

- **Create partnerships between state and local economic and workforce development agencies that:**
  - **Combine workforce and economic development resources at state and local level**
  - **Provide at-risk businesses with economic development resources that can be used to avert potential layoff**
  - **Connect firms that are reducing their workforce with firms that are adding workers**
- **Increase incumbent worker training**



# Why a Pre-feasibility Study?

- Pre-feasibility study can assess whether it is possible to continue the business operation and under what conditions
- It can provide objective evidence that there is no likelihood of business reopening or not closing
- If study proves negative, it can help expedite commitment of workers to seek new employment
- Outside consultants are usually retained to conduct pre-feasibility study
- To be effective, a pre-feasibility study must be performed in timely manner and usually completed within 30-45 days
- Should be sensitive to needs and interests of workers and should involve both labor and management if union shop



# Why a Pre-feasibility Study? continued

Basic questions that should be answered in pre-feasibility study include:

- Are the present owners amenable to buyout?
- Is the firm organized for smooth transition?
- Are the products or services in declining, stable, or growing market?
- Can the facility be efficient producer in its industry?
- How does plant's profitability compare to its competition?
- Has physical plant been maintained in satisfactory condition?
- What is potential for plant to exist either as independent firm or subcontractor?



# Develop Early Warning Network

States and local governments can predict closing by reviewing:

- Layoff data from unemployment filings
- Public loan defaults
- *Dun and Bradstreet (D&B)* reports stressed firms and industries
- *D&B Alert* tracks sudden changes in firms
- *Moody's Industrial Manual* and *Standard & Poors* for company performance data
- Utility company reports of usage drops
- Customer and supplier knowledge
- *U.S. Industrial Outlook*, published by DOC analyze current and forecast trends for U.S. industries by four-digit SIC code
- Major business magazines, regional business journals, or local and regional newspapers captures changes in management or markets; strengths and weaknesses of products; legal, labor, and compliance issues etc.



# Other Types of Layoff Aversion

- Incumbent worker training programs using State Trust Funds or employer loan programs for employee skill upgrading
- Economic development linkages at the Federal, State and local levels, such as US Department of Commerce
- State and local business retention and recruitment services



# Best Practices in Rapid Response include:

- Early intervention
- Gather information from company and union (be neutral)
- Explore layoff aversion
- Assistance with TAA, NEG
- Promote Labor-Management Committees and/or Community Adjustment Committees
- Ensure coordination of services
- Provide connections to community services



# Purpose of a Labor-Management Committee

Is to develop comprehensive plan for individuals faced with layoffs using resources available from Federal, State and local resources as well as contributions from employers, unions, and community organizations.



# Alternative Names for a Labor-Management Committee

- Labor-Management Adjustment Committee
- Workforce Reduction Committee
- Workforce Transition Committee
- Transition Team
- Community Response Team
- Community Adjustment Committee
- Peer Counseling Network
- Joint Adjustment Committee
- Workforce Adjustment Committee



# Benefits of a Labor-Management Committee

- ***Earlier reemployment*** - forming committee and focusing attention and services on workers will get reemployment activities started more quickly enabling workers to take advantage of job openings as they occur.
- ***Workers helping workers*** - involving workers in planning transition services helps build acceptance of program. Also provides opportunities for workers to discuss their service needs with committee members.
- ***Coordination of services*** - committee helps coordinate resources and activities to ensure the right services are available.



# Benefits of a Labor-Management Committee continued

- ***Increased motivation*** - workers who become motivated are more likely to participate in program when they see the company and fellow employees working together to help them find new jobs and training opportunities.
- ***Productivity and morale*** - experience show that high absenteeism and decreases in productivity are avoided when company and workers participate cooperatively in providing transition assistance.
- ***Positive labor-management relations*** - working together to solve problems in positive way reduces labor/management tension. Involvement of affected unions also helps build worker acceptance of programs.



# Benefits of a Labor-Management Committee continued

- ***Positive community impact*** - major layoffs and plant closings attracts public attention. The way in which these events are handled will determine if attention reflects positively.
- ***More effective use of resources*** - companies sometimes offer severance packages and some collective bargaining agreements may include training and adjustment assistance resources.



# Challenges When Using a Labor-Management Committee

- Establishing/maintaining committee is labor/time intensive
- Recruiting and retaining committee members
- Training the committee on services and resources
- Developing communication mechanisms
- Meetings take time and resources
- Committee may not be accepted by company, union, or providers



# Role of a Labor-Management Committee

- Determine if formal LMC Agreement is necessary
- Define mission and purpose
- Recruit fellow workers to access services
- Collect information on needs of workers
- Help determine services to be provided based on employee needs
- Identify community and financial resources



# **Role of a Labor-Management Committee** continued

- **Determine if Peer program should be implemented**
- **Provide social support group for dislocated worker**
- **Track progress of each affected worker in terms of education, training, and new employment**
- **Provide mechanism for disseminating factual information and minimizing rumors**
- **Organize job search training, job clubs, job fairs**
- **Organize retraining opportunities for affected workers**



# **Role of a Labor-Management Committee** continued

- **Develop and implement comprehensive adjustment program with workforce development system which emphasizes employment/training**
- **Develop information newsletter**
- **Hold information sessions at workplace**
- **Develop referral process to local service providers**
- **Work with Economic Development to attract and create new jobs**
- **Help sell and market community and its' workforce**
- **Inform community on what is going on and needs of workers**



# Mission Statement

- **Every Labor Management Committee should have Mission Statement**
- **Mission Statement helps shape Labor-Management Committee and gives an identity**
- **A clearly defined Mission Statement ensures that Labor-Management Committee members share common understanding of purpose of committee and what committee hopes to achieve**
- **Mission Statement, when articulated to workforce, sends clear message regarding committee's function and expectations**



# Mission Statement continued

## Goals and Objectives:

- Should flow from Mission Statement
- Must be within Labor-Management Committee's purview and span control
- Must be attainable and realistic
- Must be achievable



# Mission Statement continued

When designing a plan of action the following should be kept in mind:

- What must be done?
- Who is responsible for getting it done?
- When must it be done?
- How are actions monitored, and by whom?
- When does evaluation take place?



# The Dislocated Worker as a Customer

## Statistics of Job Loss

For every 1% rise in unemployment rate the following increases were recorded nationwide:

- 36,887 additional deaths
- 20,240 heart attacks
- 495 deaths from cirrhosis
- 920 suicides
- 648 homicides
- 4,227 admissions to mental hospitals
- 3,340 state prison admissions



# Phases in Pre-Layoff Period

Some of the basic phases a worker will go through, but not limited to, include:

- Phase One: Denial
- Phase Two: Anger
- Phase Three: Depression
- Phase Four: Acceptance



# Phases After Layoff Occurs

Some of the basic phases a worker will go through, but not limited to, include:

- **Phase One: Disbelief or numbness**
- **Phase Two: Remembering the “Good OLE Days”**
- **Phase Three: Depression, Disorganization and Despair**
- **Phase Four: Acceptance and Moving Ahead**



# Variables of Job Loss

- Length of time with company
- Their feelings about the job/company
- Whether they have been through job loss before
- Person's age
- Parent? Children's ages
- Their family situation
- Person's emotional health
- Quality/availability of support services



# Impact of Job Loss on Worker

Workers lose more than a job. They lose:

- Loss of wages and benefits
- Loss of structure for the day
- Loss of work family
- Loss of role of worker and provider
- Loss of place in world
- Loss of pride, dignity and self-esteem
- Loss of American Dream
- Loss of trust
- Loss of control over life



# Impact of Job Loss on Family

- A parent's diminished ability to parent
- Difficulties adjusting to new family roles and tasks
- Difficulties remembering "good times"
- Increased family disputes
- Scapegoating and blaming others
- Concerns and disputes about financial future
- Concerns about having to move
- Worries about what friends will think about unemployed status
- Stress-related problems



# The Stress of Unemployment

**Stress is one of the most serious effects of unemployment. It is a known fact that stress can cause:**

- **More colds and flu**
- **Feeling tired all the time**
- **Having more headaches**
- **Having trouble sleeping**
- **Back and stomach problems**
- **Eating more**
- **Arthritis symptoms**



# **The Stress of Unemployment**

## **continued**

- **High blood pressure**
- **Sexual problems**
- **Can't relax without TV**
- **Increased use of alcohol**
- **Nervous all the time**
- **Lack of interest in anything**
- **Being irritable with people**
- **Feeling powerless, out of control**
- **Feeling useless and unwanted**
- **Feeling generally depressed**



# How Can a Dislocated Worker Deal With Stress?

- Know the effects of stress
- No self blame
- Don't deal with things alone
- Develop a support system
- Have a plan
- Stay active
- Use relaxation techniques
- Eat healthy foods
- Get adequate rest



# Workers Must Address Personal Needs

When the paycheck stops workers need to know how to:

- Help themselves (deal with stress - have positive attitude)
- Get help (United Way, Community Action Agency, public assistance agencies)
- Deal with creditors
- Keep a roof over head (top priority)
- Put food on the table (food pantries, food programs)
- Manage utility payments (budget payment plans)
- Stay insured (homeowner's, car, life, health)
- Stay healthy (county health department for immunizations, well-baby care, WIC, basic dental, prescription drug)



# How Can You Help?

- Remember that grief takes time
- Encourage the person to talk, and listen openly and actively
- Avoid pat answers and clichés
- Be available as much as possible
- Encourage them to be part of a job search network
- Recognize that workers must address personal needs

