

Why you need to conduct exit interviews

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96% of Fortune 500 companies conduct exit interviews and for good reason. They are a crucial part of employee retention strategies which are often ignored. Discovering why employees leave should be an essential part of a company's strategic planning, but many miss this opportunity by not conducting interviews. An exit interview is an interview held with an employee about to leave an organization, typically to discuss the employee's reasons for leaving and their experience of working for the organisation. The information collected in an exit interview can give a company a unique perspective on its performance and employee satisfaction. The exit interview has three purposes: to learn where the company can improve itself, to make sure employees leave feeling good about their service, and, in some cases, to encourage the employee to stay under new circumstances.

Exit interviews are important because they offer a deeper look at your workplace culture, day-to-day processes, management solutions, and employee morale. The purpose of an exit interview is to assess the overall employee experience within your organisation and identify opportunities to improve retention and engagement. Having a clear set of standards in place when conducting exit interviews can also play an essential role in risk management. When employee issues are addressed justly and effectively within the workplace, there is no need for external investigations, litigation, or bad publicity to follow. When completed in a consistent and standardized way, these interviews can help you foster positive relationships and a welcoming working environment.

Why Exit Interviews Are Important

Spencer's (1986) study found that employee voice mechanisms such as a grievance procedure or survey feedback resulted in a significant negative relationship with employee turnover. His results showed that the more opportunity the organization gives employees to voice dissatisfaction about their work situation, the lower the turnover rate. Spencer (1986) suggests that by offering mechanisms to voice dissatisfaction, organizations may be able to stop intent to leave from ever happening.

One way an organization can identify areas needing improvement to retain employees is through an exit interview. An exit interview is a way of assessing why employees are leaving. Common denominators in dissatisfaction revealed by the exit interview can be valuable information to the organization for future employee retention and employee relations (Melcher, 1955). Giacalone and Duhon (1990) stated that the exit interview can be used "as a tool to uncover organizational characteristics that may contribute to employee turnover." Hilb (1978) commented that the goal of the exit interview is "getting objective information about an employee's reasons for leaving. The strengths and weaknesses of the company and the job (Diagnosis Function) and realistic suggestions for improvement (Therapy Function) should also be discussed.

In an overview of 18 organizations, Garretson and Teel (1982) found the topics covered in exit

interviews, in the order most commonly covered were: Reason for departure, new job, and salary, rating of job, supervision, working conditions, advancement opportunities, training, pay, the possibility of the employee returning, the possibility of having prevented the departure, things liked best about the job, things liked least about the job and suggestions.

Experts estimate that the cost of a lost employee is anywhere from tens of thousands of dollars to 1.5-2.0 times an employee's annual salary. Employee turnover is a natural part of the workforce life cycle. However, high levels of undesirable turnover or losing people in critical roles can be both costly and disruptive.

Ways to leverage data from exit interviews:

- **Monitor and act on reasons for turnover.** Identify the root causes of turnover for different employee segments of the workforce and create a targeted retention plan.
- **Revisit exit data for rehires.** Use previously completed exit interviews for returning employees to address past roadblocks.
- **Add market intelligence to your recruitment strategy.** Understand which employers are your primary recruitment competitors and which aspects of those employers are most appealing to employees who leave.
- **Use the information to coach managers.** For managers who have unusually high levels of turnover, exit data can be used as feedback to coach managers on their management style.

Exit interview practices and policies vary widely according to company size and industry, but human resource professionals agree on at least three points:

- The company should have a formal policy regarding exit interviewing.
- Exit interviews should be reserved for voluntary separations because issues raised by layoffs and terminations for cause will require a special approach.
- Exit interviews should be extended to all departing employees—not just key performers or long-timers.

Lefkowitz and Katz (1969) research give evidence to the sensitive nature of the exit survey and the benefits of it being performed by someone who is not superior to the employee.

Here are a few examples of helpful questions to ask in an exit interview according to Glassdoor:

1. Why did you begin looking for a new job?

You may see that an employee simply needed a job closer to home, or it may point to a specific instance or situation that sparked the search.

2. What ultimately led you to accept the new position?

This is a good exit interview question because it will allow you to contrast your company's position

with different organisations. The key to this answer is actually what you don't see. For instance, if an employee indicates that they are leaving for higher pay, this could mean that your compensation package isn't competitive enough.

3. Did you feel that you were equipped to do your job well?

If you want a direct way to better retain the employee who fills this position next, ask this question. It's one of the best exit interview questions that will help you generate an immediate proactive response.

4. How would you describe the culture of our company?

This question isn't probing for specific examples but instead will help you identify trends. As you keep track of employee exit interviews, watch for trends throughout to help you identify real concerns.

5. Can you provide more information, such as specific examples?

Your natural reaction may be to shy away from asking for specific examples, but this follow-up question, which is beneficial throughout your survey, may reveal personnel problems or other things that are easily fixed, preventing the loss of another employee.

6. What could have been done for you to remain employed here?

There is no question more direct than this one. Often, a frank question will allow employees to open up where they were afraid to before.

7. Did you share your concerns with anyone at the company before leaving?

The key here is to understand if you promote an environment where employees feel safe and comfortable to voice their opinions.

8. If you could change anything about your job or the company, what would you change?

This is a non-confrontational way to encourage them to reveal the real reason they're leaving, as it isn't asking what they didn't like, but what they would change. It shifts their answer from a complaint to a suggestion, which many people feel more comfortable providing.

9. Management is often a key factor in an employee's decision to leave. Were you satisfied with the way you were managed?

Understanding if there are any issues or direct problems will help you take preventative measures from losing future talent.

10. Did you have clear goals and objectives?

Employees don't like feeling like they're just a cog in the machine. They want to know that their work matters and helps drive towards a greater goal.

11. Did you receive constructive feedback to help you improve your performance?

Understanding their objectives, and helping them improve their arsenal of skills should be a key area of focus.

12. How can our company improve training and development programs?

This ties into your ability to engage employees. Higher engagement leads to higher employee retention.

13. Would you consider coming back to work here in the future? In what area or function? What would need to change?

Best Practices for Exit Interviews

The aim should be to have a constructive conversation in a safe environment. Here are some guidelines and considerations for running an effective exit interview process:

1. Establish proper timing.
2. Include Human Resources or an objective party.
3. Ask the right questions.
4. Don't get defensive and record all the information.
5. Keep it confidential.
6. Express gratitude.

Exit interviews can be used to help your organization get the data and insights needed to create a more positive work environment and to protect your organization from risk. If you aren't already completing exit interviews, consider the value they can bring to your company.

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