Exit interview essay sample

Business, Employment



1. Definition:

The formal conversation that takes place between an employee and human resources (HR) or other manager to determine the reason(s) the employee is leaving. (enterprenuer. com)

When an employee makes a voluntary decision to leave an organization, it is important for the organization to find out the reason for leaving, as the employee takes with him/her the knowledge, skills, expertise, and the experience. Generally, employee turnover happens due to the organizational and/or interpersonal and/or personal reasons. To understand the factors that compelled an employee to end its relationship with the organization is an integral part of the employment ending process. The organization should use the exit interview as an effective tool to develop and implement the strategies for meaningful staff retention. The exit interview provides the organization an opportunity to ' make peace' with a disgruntled employee; otherwise, the employee leave with the vengeful intentions which could lead to negative publicity for the organization.

The number of questions can be asked to the departing employee, but a careful selection has to be made based on what outcomes the organization would like to derive. Some of the basic questions asked are stated below. For a detailed list of questions, please refer Appendix A.

- a. Overall, how did you find your experience working on this team?
- b. What did you like about it?

- c. What could have been better?
- d. What is the primary reason for leaving?
- e. What would it take for you to stay?
- f. Did you receive enough training and support to do your job effectively? g. Did you receive sufficient feedback about your performance between reviews? h. Did any policies or procedures (or any other obstacles) make your job more difficult? i. Would you consider working for this organization again in the future? j. What does your new position offer that your previous one doesn't? k. Any other comments?
- 2. Importance to Human Resource Management (HRM):

The exit interview is not only important to the HR department but is also beneficial to the entire organization. The feedbacks/results received from the exit interview are critical for the organization's on-going success. If used strategically, then it is extremely important in identifying the strengths and weaknesses of the organization, organization's policies, the working environment, and the employee's immediate supervisor or manager. The good exit interview not only helps to foster a positive corporate culture, but it also exhibit that the organization is open to constructive criticism. Hence, exit interview favorably contributes to the HRM in particular and the organization in general.

More and more organizations, now-a-days are valuing the purpose of exit interview. There are some general accepted standards and principles or preferably known as "best practices" in implementing and conducting exit

interview. These are briefly listed below: * Exit interview should be voluntary and non-prejudicial

- * Find out why is the employee leaving
- * Reassure the employee, that information will be kept confidential and used only for the improvement of the organization * Include open ended questions in the interview i. e. what/how/why questions * If possible give the questionnaire ahead of time, so the employee can think about the answers * Questionnaire should include questions about the job, organization, culture the skills required by the successor, compensation, benefits, any recommendations etc. * Listen and don't react, give an opportunity to the departing employee to talk * Use the feedback obtained in a constructive way and not as a direct criticism of the employee * Thank the employee for their time and effort in sharing information to make the organization a better place.

A written policy on the exit interview is required as it explains the purpose, scope, procedures, voluntary participation, confidentiality, and reporting of the exit interview. The policy addresses the questions and/or concerns of the employer and employees as it clarifies: * The purpose and objective of the exit interview;

* Whether it is applicable to all the employees or to the select few; * The interview will be conducted by the HR or third party designated by the HR; * Whether the interview will be conducted face-to-face or electronically via internet web based questionnaire; * The voluntary participation and the confidentiality of the information received through the interview; and * The

reporting of the information gathered through interview. A policy should be clearly drafted in the employees' handbook or on the organization's intranet. The policy is usually implemented by the HR department; otherwise, the departmental heads can educate the employees' about the process of exit interview.

The exit interviews are generally conducted in person with the departing employee by the Human Resource personnel; since, they are trained in handling confidential information and experienced in listening to the employees' concerns objectively. Their interpersonal skills will allow them to handle the sensitivity of the situation carefully. Also, the HR department is considered to be neutral and the employees would feel more comfortable in openly discussing their reasons for leaving. Usually, the HR department is responsible for designing the process, issuing guidelines and documentation, collecting results data, analysing and reporting findings, trends, opportunities and recommendations.

In the companies without HR department, these interviews could be conducted by the departing employee's immediate manager/supervisor, but they should be trained to conduct these types of interviews for optimal results. However, the biggest drawback with this choice is that if there was a conflict between the manager/supervisor and the employee then it would not come out on the surface.

In order to get a neutral, non-biased and an honest opinion of the employee, the organization should hire a professional third party vendor to conduct the interview. This option has an additional cost associated to it, but being skilled and trained the third party is in a better position to deliver qualitative inputs; especially in areas that are more sensitive for employees to share with any management personnel of the organization.

The exit interview is more beneficial if it is conducted few days before the employee's departure or on the last day of the employee with the organization. The honesty in employee's answers to the interview will depend on the privacy and confidentiality policy. The employees would answer better if they know that there is anonymity in the process; therefore, it is imperative that the employee should trust the process. The interview held by a third party provides the highest degree of anonymity as they adhere to strict privacy principles. The organizations will not be able to uphold privacy, in the advent that an employee's feedback directly or indirectly reveals incidents of bullying, toxic work environment, harassment etc., or any other acts that could affect the morale of the employees. These incidents if addressed demand prompt actions and would need to disclose the employee's information. In this case, the departed/former employee should be informed in advance. However, the HR should try to present the individual employee's feedback/opinion collectively to maintain confidentiality of the employee.

In terms of human rights, there are none with implementing exit interview process in the organization as these are done voluntarily by the employees. On the contrary, a well-structured exit interview can uncover issues such as harassment, discrimination, and workplace violence, which can be addressed before they turn into lawsuits. In case an employee mentions about

harassment or discrimination in the interview either directly or indirectly should not be ignored and an investigation should be conducted at once. The details of the investigation should be recorded to be used as a legal defense in case of a complaint is filled in the future.

The situation in which an exit interview is conducted is very sensitive; therefore, the questions asked should be carefully structured to safeguard the organization of any legal implications. There seems to be no pertinent risks for the organization in implementing the process of exit interview; rather, the benefits of exit interview may outweigh the risk of legal implication.

The process of exit interview should be supported by the senior management for it to be effective within the organization. The senior management should be copied on the reports generated from the exit interview and are required to provide feedback. The reports should be received on a periodic basis (i. e., quarterly) to indicate trends or patterns leading to strategic improvement opportunities; for example, improved induction, management or supervisory training, empowerment or team building initiatives, process improvement, wastage and efficiencies improvements, customer service initiatives, retention of talent etc. For many organizations, exit interviews provide a major untapped source of 'high-yield' development ideas and opportunities. Therefore, the senior management involvement is a key in making the process of exit interviews a success.

The budget is required for the exit interview process; however, the cost involved is dependent on the size of the organization and the rate of employees' turnover. There are numerous methods of conducting the exit interview; for example, traditional face-to-face interview, electronic based questionnaires, simple pen and paper method, or over the telephone. Each of these methods has its own pros and cons. There are costs associated with the exit interview process whether it is conducted by the organization or a professional third party service provider. The selection of an appropriate method will largely depend on the organization's objective in using this information and the value and genuineness of the data collected.

The feedback obtained from exit interviews can help organizations to be proactive in identifying issues and taking immediate actions on urgent matters as well as ensuring that the factors leading to employee turnover are addressed in a timely manner to preserve its workforce.

3. Link to Human Resource Functions:

Exit interviews have correlation with other HR functions in the organization.

These are explained below:

* Industrial Relations:

Exit interview provide valuable information which helps organization to improve processes, procedures as well as implement strategies to improve employee retention, coach and value talented employees, lead to a positive relationship between union and the organization. It projects a positive image that organization is genuinely concerned for the well-being of its employees

and is being proactive in resolving issues. A properly administered exit interview system free of impartiality and bias will increase the confidence of the employees in the system and the benefits of the process will be widely apparent.

* Recruitment and Selection:

Organizations are successful when they have the right person doing the right job. The employees who leave the job because they find the right job to match their skill, knowledge, and experience are indicating the problems an organization might have with their recruitment and selection process.

Results from the exit interviews will help in understanding what changes can be made in the job description and the hiring process to aid in finding the best fit for the job.

* Job Analysis:

Exit interviews help to unveil reasons like poor employment environment, low levels of job satisfaction and unachievable employee expectations that negatively impact productivity and employee morale, leading to employee's decision to disengage their employment with an organization. Thus, the process of job analysis can be improved to reduce turnover and costs associated with hiring and training.

* Training and Development:

Providing an exit interview for your departing employees is a great way to gain valuable insights that may help in the training of new employees or successors. Exit interviews would constructively identify the reasons if employees were leaving due to lack of training opportunity to develop. The

results of the interview will be vital to identify gaps in specific job-related skill set that can be addressed through proper cost effective training processes.

* Succession Planning:

A significant proportion of employee leavers will be people that the organization is actually very sorry to leave. The exit interview therefore provides an excellent source of comment and opportunity relating to management succession planning. Good people leave often because they are denied opportunity to grow and advance. Organization also loses top management if they are not given the opportunity to grow and develop or are overworked and stretched to the point of leaving. Wherever this is happening organizations need to know about it and respond accordingly.

* Compensation and Benefits:

Employees who leave the organization for better compensation packages and benefits, through their honest feedback could guide the organization in identifying its position in its industry by comparing its compensation and benefits package to competition. This information can further help in analyzing and changing the pay mix to retain the existing workforce and reward the employees in proportion to their efforts.

* Coaching and Mentoring:

Positively conducted exit interviews greatly improve the chances of successfully obtaining and transferring useful knowledge, contacts, insights, skill set, personal attributes, required tips and experience, from the departing employee to all those needing to know it, especially successors

and replacements. Many employees would be willing to help and set up a one-on-one meeting with their replacement to transfer knowledge.

Information gathered during the interview will help organizations to coach and mentor other employees resulting in better performance and increased morale.

* Health and Safety:

Every organization should invest and follow proper health and safety processes and procedures. Employees who leave because of safety reasons raise a red-flag that should not be ignored. Any issues related to health and safety should be dealt with immediately and correct processes should be implemented. This will not only safeguard the employees but also protect the organization from any fines due to non-compliance of safety laws and regulations.

* Performance Appraisal:

Performance appraisal is a crucial for the growth of an employee. If an organization does not have a proper performance measurement tool, an organization can lose its talented employees. Feedback from the departing employee regarding how performance was measured will facilitate changes in the performance review process. This will also help management to create proper expectations.

* Employee Relations:

Internal relations between employees are needed for a cohesive working atmosphere in the organization. An employee leaving due to poor internal relationship impacts the overall organization in terms of turnover and

increased costs of rehiring. Exit interviews will provide an opportunity to recognize this and find effective solutions.

* Human Resource Information System (HRIS):

HRIS is an important tool for collecting, viewing and tracking human resources data. The HRIS will be a good tool if available to communicate information about exit interviews. Exit interview questionnaires could be made available through HRIS for the employees. Also the responses from the interview can be entered, reviewed, tracked through the system by the HR department and senior management. Reporting trends would also get easier using the HRIS.

* HR Planning:

The HR plan needs to be flexible enough to meet short-term staffing challenges, while adapting to changing conditions in the business and environment over the longer term. HR planning is a continuous process. The proper follow-up based on the results of the exit interviews helps the organization in maintaining and developing its present and future strategy to meet its HR planning requirements; for example, creating an employer brand, retention strategy, absence management strategy, flexibility strategy, talent management strategy, and recruitment and selection strategy.

4. Ties to Corporate Strategy and Organizational Goals:

Organizations today operate under highly competitive environment that warrant long term strategic goals and vision. In order to assist the top executives of the organization in their strategic objectives, information such

as employee engagement and disengagement, gaps in leadership capabilities, misalignment of employee's goals with the goals of the company, identification of defective work flow processes and procedures, real reasons for turnover etc., will be helpful. Exit Interviews will thus provide extremely important data to address these issues that the corporate executives do not see on daily basis. The right questions asked at an exit interview will help in understanding the impact of organizational policies and management actions. Armed with this knowledge, an organization can proactively take the appropriate course of corrective actions that will support the organization's vision, direction and strategy and develop suitable counteractive actions for its existing employees.

Every organization's bottom line is to make profits and this is only possible through strategic planning of the organizations most valuable assets – human resources. An organizations human capital is its asset that gives a competitive edge over its competition. Hence, competing for and retaining high quality employees are becoming crucial.

Exit interviews help in cost containment, an important business strategy for any organization. Labour costs are the most expensive part of running a business. Turnover adds to this cost. The direct and indirect cost associated to employee turnover significantly impacts the bottom line. Direct costs related to separation, unemployment premiums, advertising, hiring, training, time spent in filling vacant positions, etc., all have a financial impact on the organization. Indirect costs related to the loss of production, reduced performance levels, unnecessary overtime and low morale are much harder

to measure. The quality of service levels provided to customer is also affected by increased turnover, which can prove costly to any organization. Therefore, an exit interview of a departing employee is a viable tool to recognize areas that need further or immediate action to save the loss of valuable human capital and reduce costs.

Organizations will be able to improve the quality of their products and services by analyzing the issues emphasized during the exit interviews. Finding solutions to these issues will add value to the products and services for the customers. On the other hand, changes applied using the constructive feedback does help in increasing morale and employee satisfaction, which leads to improved productivity. The more satisfied the employee the most satisfied will be the customer leading to increased revenue for the organization.

Organizations are able to reinforce positive culture by being big enough to expose themselves to criticisms. Embracing a strong corporate culture of respect, fairness, empowerment, valuing employee opinions/feedback and taking a genuine interest in the well-being of the employees not only gives organizations an edge over its competition in attracting and retaining key talent but improves organizations reputation in the industry and amongst job seekers making the organization an employer of choice. Documented comments/advice/statements can help the organization legally position itself when challenged by disgruntled employees. These documents could also aid in avoiding costly litigations.

Thus; if properly managed, the outcomes of effective exit interviews will focus not only on reviewing data and looking back but more importantly present clear actions and strategies for decision makers and stakeholders, to proactively address larger organizational issues in a timely manner and improve staff retention, organization culture, recruitment and induction, improved work environment, employee engagement and satisfaction by addressing – communication, commitment, culture and compensation issues, employee loyalty and commitment, reduced absenteeism and hopefully reduce the need for exit interviews in the future.

5. Online Resources:

The changing trend in the business environment today, warrants for a well-structured exit interview that cannot be neglected. The concept of exit interview is universal and the size of the organization, the industry, the environment in which it conducts its business does not affect the requirements conducting an exit interview. Therefore, as a resource for this topic international websites were used to gain further understanding on the topic. http://www.labortek.com/images/articles/6.pdf

LaborTek Services is a staffing and HR consulting firm based in Ottawa, dealing with placement in the construction and manufacturing industries. The article provided by them outlined the best practices for exit interviews in detail and in simple words. The site also explains briefly what is an exit interview, how it is conducted and the pay-offs of conducting a well-structured interview. It provides a quick two page synopsis on the topic.

http://www. businessballs. com/exitinterviews. htm

Businessball, the name of the website made me inquisitive to see what sort of information it would have on the topic. To my surprise, the exit interview topic was explained rather in much detail. The site covers the topic from explaining the meaning, outcomes and benefits to the organization as well as other HR functions, process to conduct a good exit interview, outlining whose responsibility is it to conduct these interviews, sample questions and much more. Though the site is managed by Alan Chapman, from England, the information provided was very generic and similar information was found on various other websites during my research. This site has a good online collection of other learning and development ideas.

http://exitinterviews.org/benefits/

This site provides a very clear understanding of the benefits of making the exit interview and integral part of the employee life cycle. The information here helps to clearly understand how retention and turnover costs can be minimized, employee morale and satisfaction improved to achieve organizational goals.

Various other sites that provide further insight to the topic were used during the research and are listed in the Appendix.

References:

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Appendix A:

Following are a few sample questions that the interviewee could be asked. A detailed list could be found on http://www. businessballs. com/exitinterviews. htm

- * Tell me about how you've come to decide to leave?
- * What is your main reason for leaving?
- * What are the other reasons for your leaving?
- * Why is this important or so significant for you?
- * Within the (particular reason to leave) what was it that concerned you particularly? * What could have been done early on to prevent the situation developing/provide a basis for you to stay with us? * How would you have preferred the situation(s) to have been handled? * What opportunities can you see might have existed for the situation/problems to have been averted/dealt with satisfactorily? * What can you say about the processes and procedures or systems that have contributed to the problem(s)/your

decision to leave? * What specific suggestions would you have for how the organization could manage this situation/these issues better in future? * How do you feel about the organization?

* What has been good/enjoyable/satisfying for you in your time with us? * What has been frustrating/difficult/upsetting to you in your time with us? * What could you have done better or more for us had we given you the opportunity? * What extra responsibility would you have welcomed that you were not given? * How could the organization have enabled you to make fuller use of your capabilities and potential? * What training would you have liked or needed that you did not get, and what effect would this have had? * How well do think your training and development needs were assessed and met? * What training and development that you had did you find most helpful and enjoyable? * What can you say about communications within the organization/your department? * What improvements do you think can be made to customer service and relations? * How would you describe the culture or 'feel' of the organization? * What could you say about communications and relations between departments, and how these could be improved? * Were you developed/inducted adequately for your role(s)? * What improvement could be made to the way that you were inducted/prepared for your role

Following are some knowledge transfer questions:

* How might we benefit from your knowledge, experience, introductions to your contacts, etc., prior to your departure? * Would you be happy to take part in a briefing meeting with managers/replacements/successor/colleagues

so that we can benefit from your knowledge and experience, prior to your leaving? * What can we do to enable you to pass on as much of your knowledge and experience as possible

to your replacement/successor prior to your departure? * How and when would you prefer to pass on your knowledge to your successor? * I realise that you'll not be happy with the situation surrounding your departure, however we would really appreciate it if you could help us to understand some of the important things you've been working on – how might we agree for this knowledge to be transferred? * We'd be grateful for you to introduce (name of successor) to your key contacts before you go – are you happy to help with this?