

ABHINAV

NATIONAL MONTHLY REFERRED JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT
www.abhinavjournal.com

EXIT INTERVIEW – A VITAL TOOL FOR MANAGING DEPARTING EMPLOYEES

S.A.Hussain¹ and Dr.P.S.Ravindra²

Associate Professor, Miracle School of Management , Miracle Educational Society Group of Institutions, Vizianagaram, Andhra Pradesh
Email: ¹ashaik@edulokam.com, ²spaidi@edulokam.com

ABSTRACT

Exit interviews are interviews conducted with departing employees, just before they leave. From the employer's perspective, the primary aim of the exit interview is to learn reasons for the person's departure, on the basis that criticism is a helpful driver for organizational improvement. Good exit interviews should also yield useful information about the employer organization, to assess and improve all aspects of the working environment, culture, processes and systems, management and development, etc; Many employers ignore the opportunity that exit interviews offer, chiefly because exit interviews have not been practised in the past, and starting them is a difficult initiative to undertake, given the potentially subjective and 'fuzzy' nature of the results; the time involved; and the unspoken corporate urge to avoid exposure to criticism. Exit interviews are nevertheless a unique chance to survey and analyse the opinions of departing employees, who generally are more forthcoming, constructive and objective than staff still in their jobs and therefore Exit is just as important as the procedures one uses while hiring. Handled in a professional way, exit practices can be constructive, useful and improve your work environment and above all improve your retention. In this context, the present paper attempts to understand the importance of exit interview and how it ingredients for future HR strength.

Keywords: Exit Interview Importance, Advantages & Disadvantages, Exit Interview, Process, Methods for Conducting Exit Interview, Outcomes Of Exit Interview.

INTRODUCTION

As managers and leaders our success is a direct reflection of the success of our people. We are responsible to hire, coach and performance manage people who will succeed in their roles; who will grow with the company as they develop their career, and who ultimately will progress beyond us in a succession plan. At the end of the day, our success is their success.

Therefore there is nothing more challenging or upsetting than having one of your team members resign. It is particularly tough if you don't see it coming and you don't have a

ABHINAV

NATIONAL MONTHLY REFEREEED JOURNAL OF REASEARCH IN COMMERCE & MANAGEMENT
www.abhinavjournal.com

grasp on why they are leaving. Exit interviews are critical to any organization as they offer opportunity for the employee to discuss their reasons for leaving and enable the organization to review and improve staff retention policies keeping these things exit interviews are very helpful to know the perception of leaving employee.

Exit interviews are interviews conducted with departing employees, just before they leave. From the employer's perspective, the primary aim of the exit interview is to learn reasons for the person's departure, on the basis that criticism is a helpful driver for organizational improvement. Good exit interviews should also yield useful information about the employer organization, to assess and improve all aspects of the working environment, culture, processes and systems, management and development, etc; Many employers ignore the opportunity that exit interviews offer, chiefly because exit interviews have not been practiced in the past, and starting them is a difficult initiative to undertake, given the potentially subjective and 'fuzzy' nature of the results; the time involved; and the unspoken corporate urge to avoid exposure to criticism. Exit interviews are nevertheless a unique chance to survey and analyse the opinions of departing employees, who generally are more forthcoming, constructive and objective than staff still in their jobs.

As ever, corporate insecurity and defensiveness can be an obstacle to implementing exit interview processes, so if the organization finds it difficult to begin the practice as a matter of general policy, you can still undertake your own exit interviews locally with your own staff as and when they leave.

From the departing employee interviewee perspective, an exit interview is a chance to give some constructive feedback, and to leave on a positive note, with good relations and mutual respect. Recrimination, blame, revenge and spite are destructive feelings and behaviours, so resist any temptation you might have to go out all guns blazing. Be calm, fair, objective and as helpful as possible. In the future you may wish to return to the organization (situations and people change.), and you may cross the paths of your ex-colleagues, managers in the future. The adage about treating people well on your way up because you might meet them on the way down applies just as well on your way out. The exit interview is an opportunity to shake hands and leave friends, not enemies.

OBJECTIVES OF THE STUDY

The broad objectives of the study are:

1. To observe the importance of exit interview and how it ingredients for future HR strength
2. To examine the process of Exit interview.
3. To know the methods, outcomes, pros and cons exit interview.

LITERATURE REVIEW

In the words of Flamholtz.E.G (2003), the exit interview enables not only an improved understanding of the reasons why employees leave, but provides opportunities for effective communication in several additional areas as well. These include for example: clarification of complaints against employees being released; sharing of information about benefits, including maintenance of medical insurance, pension programs, and eligibility for

ABHINAV

NATIONAL MONTHLY REFERRED JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT
www.abhinavjournal.com

unemployment compensation; promotion of positive relations with former employees; discussion of policies on references and eligibility for rehire; and identification of problem areas that require corrective measures.

Garretson, P., & Teel, K. S. (1992) pointed that the two major elements of the exit interview are discovery and communication. Neither the discovery of an employee's motivation for vacating a position nor the sharing of this information with management are easy tasks. A commitment of sufficient time and appropriate staff for dialogue, analysis, and feedback is essential. Staff understanding and cooperation are also critical so that the exit interview is viewed as more than another mandatory procedure that must be completed before a final paycheck is issued.

The study of Lefkowitz, J., & Katz, M. L. (2006) reveals that Exit interviews in an organization should be conducted by one individual, preferably a personnel professional who is knowledgeable about the work of the library, who is effective in a private and face-to-face interview setting, and who is trusted by the employees. Credibility and approachability are essential qualities. In some large organizations it may be necessary to share this responsibility by assigning one interviewer to each major employee group. In some small organizations, where a personnel professional is not on the staff, contracting with an outside office or individual may be appropriate.

Relevance of the Study

An 'exit interview' is a structured process where the departing employee can openly discuss their reasons for leaving their job. They can review their employment history with the organization and smoothly and professionally work through transition details. Employees that leave each have grounds for making their career choices. Exit Interviews are designed to help management determine the actual reason behind a person's detachment from the company. The aim is to provide people a comfortable environment where they can provide frank and honest answers on topics regarding the department, team, manager and company.

Need of exit interviews

Exit Interviews are designed to help management determine the actual reason behind a person's detachment from the company. The exit interview can provide positive reinforcement of the company's desire to remain in contact and to develop the relationship further regardless of their employment status. The purpose of exit interviews includes:

- Uncovering possible organizational issues
- Managing transition
- Managing knowledge
- Managing relationships professionally
- Providing feedback and suggestions on how to improve

Criteria to conduct Exit Interview

Exit interviews are normally conducted by the HR team. However to ensure neutrality and confidentiality, the organization can choose to use a computerized survey or outsource the

ABHINAV

NATIONAL MONTHLY REFEREEED JOURNAL OF REASEARCH IN COMMERCE & MANAGEMENT
www.abhinavjournal.com

process to a professional agency. The former option has its inherent limitations and is unable to capture softer issues & nuances critical to the process. More and more HR Managers are today opting to outsource the Exit Interview process to professional companies who have the skills and trained personal, and band width to conduct exit interviews and deliver qualitative and timely inputs.

Importance of Exit Interviews

They provide an opportunity to 'make peace' with disgruntled employees, who might otherwise leave with vengeful intentions. Exit interviews are seen by existing employees as a sign of positive culture. They are regarded as caring and compassionate - a sign that the organization is big enough to expose itself to criticism. Exit interviews accelerate participating managers' understanding and experience of managing people and organizations. Hearing and handling feedback is a powerful development process.

Every organization has at any point in time several good people on the verge of leaving because they are not given the opportunity to grow and develop, at the same time, ironically, that most of the management and executives are overworked and stretched, some to the point of leaving too. Doesn't it therefore make good sense to raise the importance of marrying these two situations to provide advantage both ways – i.e.: facilitate greater delegation of responsibility to those who want it? Exit interviews are an excellent catalyst for identifying specific mistakes and improvement opportunities in this vital area of management development and succession.

"Indeed, many companies have found little relationship between what employees – particularly departing employees – say motivates their behavior and what actually does. Although the position an employee is leaving for very often does pay better, better pay may or not be the primary reason for moving on. Often, employees say they're leaving for a higher salary because they think it's an acceptable reason to give. If they point instead to the way the company is run, they risk antagonizing people whom they may one day need for a reference or a job. A thoughtful employer will want to know not only why the employee took the particular job he did but also which aspects of his current position made him receptive to outside opportunities in the first place."

Exit Interviews – Advantages

Exit interviews in themselves may accomplish little, except an opportunity to create a 'warm fuzzy' indication of corporate concern - or an opportunity for a complaint session. However, it is how the information from the exit interview is processed and action that is important.

This information can be used to improve employee retention/reduce employee turnover with both immediate and long-term effects. Immediate effects include reducing costs of replacement, saving time and improving organisational performance. All of which contribute to the long-term effect of improving profitability and returns to stakeholders. To consider the benefits in detail:

Reducing costs of recruitment and retraining - As discussed, research shows that employee turnover can cost organisations 1.5 times annual salary, which, with average turnover at approximately 11 per cent, can have a considerable impact on the bottom line.

ABHINAV

NATIONAL MONTHLY REFEREEED JOURNAL OF REASEARCH IN COMMERCE & MANAGEMENT
www.abhinavjournal.com

Saving time - Unnecessary time spent dealing with replacing and re-training is reduced - as well as the flow-on effect of time spent re-creating the corporate culture, patching up the dynamics of the team and redistributing the workload left by the departing employee.

Saving time and money on potential productivity losses - What happens when a key person leaves - with a major job due for delivery next week? Lost time, lost productivity, and possibly lost orders and lost customers can be the long-term result of this situation.

Determining the real reasons for people leaving - Exit interviews are a useful diagnostic tool for uncovering underlying hidden agendas - and may contribute to reversing the employee's decision if appropriate.

Minimising the risk of litigation - It is increasingly important to ensure that all possible processes have been covered in the termination process to minimise any risk of future litigation by the departing employee.

Collecting key information for the job description - The person who has hands on experience can be the best source of information for improving and clarifying the job description and required skills and capabilities. This improved understanding will in turn contribute to reducing future employee turnover and improving induction and succession planning.

Future business concentration - Management saves time to concentrate on the organisation's current and future business rather than spending time with departing employees or recruiting and retraining.

Identifying and managing trends and underlying organisational issues - Exit interviews are an excellent source for identifying underlying organisational issues, which may be the cause of high employee turnover, and then managing the outcomes.

Reviewing overall recruitment and selection process - Exit interviews may identify that the departing employee was not the right person for the job in the first place or that the manager may not have good management skills and may need more training.

Quantifying measurement systems - An organisation may be convinced it has expert performance measurement and feedback systems in place. But exit interviews could identify that these are not as good as they think. Exit interviews can help quantify where improvements have had a positive impact as well as identifying where other improvements are needed.

Enhance morale and staff satisfaction - Other staff knows that the organisation is concerned about the departing employee's welfare and perceive that as concern for the welfare of employees in general - a very positive effect. The exit interview can also confirm that the employee is departing on good terms and will carry a favourable attitude towards the organisation in the future.

Exit Interviews – Disadvantages

Expensive - Exit interviews are relatively expensive to administer. The greatest expense is the salary cost of the person conducting the interview, which includes the cost of preparing for and conducting the interview and codifying the results in a way that facilitates aggregating the information into usable reports.

ABHINAV

NATIONAL MONTHLY REFEREEED JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT
www.abhinavjournal.com

Difficult to quantify data - It is difficult to objectively quantify data, particularly when several interviewers are conducting interviews at different locations. Each may place their own interpretation on what they are told, fail to record the data while it is fresh in their mind, and otherwise unintentionally misrepresent the results.

Facts may not reveal - Even when assurances of anonymity and confidentiality are provided, some departing employees have very little trust in anyone in the agency, including staff from the human resources area. Even when the trust is there, some people simply have a hard time verbalizing their dissatisfaction and prefer to maintain a passive demeanor.

Bias - The exit interview process poses an additional challenge for large agencies with multiple locations. A departing employee may not believe that an interviewer from within their office will be neutral and unbiased; however, sending someone from a central location may be cost prohibitive. Although conducting an exit interview by telephone is an alternative, this will limit the rapport an interviewer may have using a face-to-face interview, thereby defeating one of the primary advantages of the exit interview strategy.

Methods for Conducting Exit Interviews

In-Person Exit Interviews

With in-person exit interviews an HR representative meets individually with each terminating employee.

Pros:

- Can provide information regarding benefits and retrieve company property during the exit interview
- Gives a personal touch to each employee

Cons:

- Employees may be afraid to share sensitive or negative information during an in-person exit interview
- For larger companies, it may be too time consuming to exit interview every employee
- It's difficult to track information received verbally during an exit interview

Telephone Exit Interviews

Telephone Exit Interviews are conducted over the telephone by an HR Representative or an outside third party consultant.

Pros:

- Can probe for more information on each exit interview question
- enter data into a tracking system while conducting the exit interview
- Easier to schedule than in-person exit interviews

ABHINAV

NATIONAL MONTHLY REFEREED JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT
www.abhinavjournal.com

Cons:

- Time consuming if done in-house by an HR Representative
- Expensive if done with an outside consultant
- Employees often reluctant to verbally share sensitive or negative information

Paper and Pencil Exit Interviews

Paper and Pencil Exit Interviews are usually conducted by a form that is given to the employee on their last day or mailed to the employee's home.

Pros:

- Takes less time to provide an exit interview form compared with conducting an in person or phone exit interview
- Employees can share information on paper that they may be reluctant to say in person

Cons:

- Return rates for Exit Interview Forms average just 30-35%
- Difficult and time consuming to compile and track the data from paper and pencil exit interviews

Exit Interview Process

The Human Resources Department has developed and utilizes a number of tools to conduct the exit interview. The exit interview can be conducted via a 1) Face-to-Face Interview, 2) Online Exit Interview. The steps listed below should be followed:

- A. Once an employee provides notice that they are leaving (i.e. retiring, resigning, etc.) the City, the immediate supervisor should contact a member of their assigned Human Resources Generalist Team about the pending employee separation and request that the exit interview process be initiated. The supervisor should provide the employee's name, contact information and last date of employment.
- B. After the supervisor makes contact with Human Resources, a member of the Human Resources Generalist Team will contact the employee and ask them to participate in the exit interview process. If the employee agrees to participate, they will be provided with the option of participating in a face to face interview and/or be given the option to complete the online exit interview via Survey Monkey. (**Note:** Separating employees will need a link to access the online survey.)
- C. If an employee agrees to a face-to-face exit interview, they will also be asked to complete the online exit interview so data can be captured about the employee's experience working with the City. Capturing consistent data on a number of variables (i.e. work environment, salary, benefits, etc.) can provide valuable data that can be analyzed on a citywide basis or by individual City departments to identify trends on why people are leaving.

ABHINAV

NATIONAL MONTHLY REFEREEED JOURNAL OF REASEARCH IN COMMERCE & MANAGEMENT
www.abhinavjournal.com

- D. For employees who are not contacted prior to their leaving the City, members of the Human Resources Generalist Team will send the former employee a notice requesting that they participate in the exit interview process albeit via the online survey and/or by completing a paper version of the survey and returning it in a postage paid return envelope. Former employees wanting to complete the online survey will need to contact Human Resources to get the link to the online survey. If the former employee wants to complete a paper survey, they can request that the form be mailed or emailed to them. Upon receiving the completed survey, Human Resources staff will input the data into the online survey.

Exit Interviews Aims and Outcomes

- They provide an opportunity to 'make peace' with disgruntled employees, who might otherwise leave with vengeful intentions.
- Exit interviews are seen by existing employees as a sign of positive culture. They are regarded as caring and compassionate - a sign that the organisation is big enough to expose itself to criticism.
- Exit interviews accelerate participating managers' understanding and experience of managing people and organizations. Hearing and handling feedback is a powerful development process.
- Exit interviews help to support an organization's proper HR practices. They are seen as positive and necessary for quality and effective people-management by most professional institutes and accrediting bodies concerned with quality management of people, organizations and service.
- The results and analysis of exit interviews provide relevant and useful data directly into training needs analysis and training planning processes.
- Exit interviews provide valuable information as to how to improve recruitment and induction of new employees.
- Exit interviews provide direct indications as to how to improve staff retention.
- Sometimes an exit interview provides the chance to retain a valuable employee who would otherwise have left (organizations often accept resignations far too readily without discussion or testing the firmness of feeling - the exit interview provides a final safety net).
- A significant proportion of employee leavers will be people that the organization is actually very sorry to leave (despite the post-rationalisation and sour grapes reactions of many senior executives to the departure of their best people). 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. Wherever this is happening organizations need to know about it and respond accordingly.
- Every organization has at any point in time several good people on the verge of leaving because they are not given the opportunity to grow and develop, at the same

ABHINAV

NATIONAL MONTHLY REFEREED JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT
www.abhinavjournal.com

time, ironically, that most of the management and executives are overworked and stretched, some to the point of leaving too. Doesn't it therefore make good sense to raise the importance of marrying these two situations to provide advantage both ways - ie., facilitate greater delegation of responsibility to those who want it? Exit interviews are an excellent catalyst for identifying specific mistakes and improvement opportunities in this vital area of management development and succession.

- Exit interviews, and a properly organised, positive exit process also greatly improve the chances of successfully obtaining and transferring useful knowledge, contacts, insights, tips and experience, from the departing employee to all those needing to know it, especially successors and replacements. Most leavers are happy to help if you have the courage and decency to ask and provide a suitable method for the knowledge transfer, be it a briefing meeting, a one-to-one meeting between the replacement and the leaver, or during the exit interview itself.

Exit interviews are best conducted face-to-face because this enables better communication, understanding, interpretation etc., and it provides far better opportunity to probe and get to the root of sensitive or reluctant feelings. However, postal or electronic questionnaires are better than nothing, if face-to-face exit interviews are not possible for whatever reason (although I remain to be convinced that there is never a proper excuse for not sitting down for 30 minutes with any departing employee.....)

Exit Interviews – Additional Tips

1. Someone other than the immediate supervisor or second-level manager should conduct the exit interview. Often the interviewer is from the human resources department, but only if they are regarded as neutral, unbiased and trusted. Although a rather costly alternative, sometimes organizations hire outside consultants to conduct exit interviews.
2. Interviewers should be skillful, well trained and good listeners. The interviewer(s) should use a standard format for the interview, but be flexible enough to ask probing questions. Some employees may initially give a superficial reason for leaving (e.g., more advancement opportunities or better pay) and only disclose the more important underlying reasons when probed. The interviewer should set a positive and relaxed tone for the meeting and use active listening skills. When dealing with a negative or critical employee, it is important to avoid the temptation to defend the agency or justify its actions.
3. When using the exit interview process, particularly when several interviewers are used in different locations, it is critically important to document the results of the interview in a standard format so that the results can be aggregated into useful reports.

CONCLUSION

Employee exit interviews can change the climate of the organization by changing management style, making changes that reflect employee opinions, and creating value recognition programs where needed. In a broader perspective, exit interviews provide

ABHINAV

NATIONAL MONTHLY REFEREEED JOURNAL OF REASEARCH IN COMMERCE & MANAGEMENT
www.abhinavjournal.com

information about overall management style of the company. An employee who is discharged may not be happy about it, and his or her comments will have a negative slant. But there's usually plenty of truth to be learned as well. Taking a more positive view of the exit—this is also the time when many employees are willing to point at deficiencies in the company, comments such as, “poor management or supervision”, “complete lack of supervision and support”, “poor communications”, etc.. Exit is just as important as the procedures one uses while hiring. Handled in a professional way, exit practices can be constructive, useful and improve your work environment and above all improve your retention.

REFERENCES

1. Dworak, L. L. (1993, Winter). The exit interview - A lasting impression. Journal of the College and University Personnel Association, 34, (4): 26-28.
2. Flamholtz, E. G. (2003). “Human resources accounting: Measuring positional replacement costs” Journal of Human Resource Management, Volume -4, pp.8-16.
3. Garretson, P., & Teel, K. S. (1992). “The exit interview: Effective tool or meaningless gesture?” Journal of Personnel Management, Vol.2, pp. 70-77.
4. Hinrichs, J. R. (1975). Measurement of reasons for resignation of professionals: Questionnaire versus company and consultant exit interviews. Journal of Applied Psychology, 60, (4): 530-532
5. Lefkowitz, J., & Katz, M. L. (2006), “Validity of exit interviews”, Personnel Psychology, 22(Winter), pp.445-455.