International Journal of Research in Economics and Social Sciences (IJRESS)
Available online at: http://euroasiapub.org
Vol. 8 Issue 1, January- 2018
ISSN(o): 2249-7382 | Impact Factor: 6.939 |

UNRAVELLING EMPLOYEE OFF-BOARDING: THE MAGIC OF EXIT INTERVIEW

Dr. Mousumi Sengupta[1]
Professor – HRM, SDM Institute for Management Development,
Mysore, Karnataka, India.

Dr. Nilanjan Sengupta[2]
Professor – HRM, SDM Institute for Management Development,
Mysore, Karnataka, India.

Kaushik Bandopadhyay[3]
Senior Executive – Marketing,
SVF Entertaiment Pvt. Ltd.,
Kolkata, West Bengal, India.

Abstract:

Talent acquisition and Talent retention have always been a challenging task for the HR department. With the rise of competition, in terms of having the best talent on board, organizations are witnessing an ever-increasing rise of attrition levels. When any employee leaves an organization, it becomes imperative for the organizations to understand the reasons, due to which employees leave the job, voluntarily. Exit interview is a discussion between a representative of an organization and an individual employee, who is leaving the employment, during one of the employee's last working days An exit interview helps the organization to capture and analyze those genuine reasons and work on the shortcomings, so that, it gains a competitive advantage in terms of minimum turnover and enhanced organizational commitment.

Keywords: Exit Interview, Human Resource (HR), Organizational Development

Introduction:

Attrition at workplace is a reality and every organization must take measures to arrest attrition as a lot of investment in terms of time, money and energy is done to attract, train, and place a talent in an organization. The cost goes beyond merely placing an advertisement for the opening in a newspaper. It includes training a new employee, staff time for selecting a new employee, lost productivity while the position is still open and lost productivity until the new employee gets up to speed (Frase-Blunt 2004). Therefore, it becomes imperative for the organizations to understand the reasons, due to which employees leave the job voluntarily. Exit interview is a discussion between a representative of an organization and a person whose employment with that organization has ended, conducted during one of the employee's last working days (Buhler 2011).

An exit interview is conducted in all the cases of employee departure: a) when the employee resigns, b) when the employee is fired, c) when the employee retires. The first case (a) seems obvious as the company is curious to know the reasons for voluntary departure, but one might inquire for the latter cases (b & c): the reason for severance is already known, but the organization wants to get valuable inputs in terms of aspects, which the employee liked, disliked, wished was present or absent, suggestions for improvement, etc. Hence it can be stated that the exit interview is a human resource tool to unravel organizational characteristics (job, managers, organizational culture, etc.) that may contribute to employee turnover, as it is effective in gathering information from employees regarding their impressions and experiences with an organization[1]. Keeping the above in mind, it may be said that, exit interviews serve as the means through which management understand the value of its brand as an employer and how employees perceive the organization (https://hiring.monster.com/hr/hr-best-practices/small-business/conducting-an-interview/exit-interview.aspx).

How an exit interview gives valuable insights into key organizational aspects which lead to attrition and how organizations can work on them to foster workplace commitment and increased Perceived Organizational Support are discussed in the subsequent sections.

Why do employees leave?

Reasons are aplenty: poor organizational structure, communication barriers, compensation and benefits, poor growth prospect, lack of challenging job profile, etc. A culmination of these factors lead to depleted job motivation and finally leads to employee turnover. Exit interview helps an organization to focus on those organizational leak points which leads to job dissatisfaction, lack in motivation and thereby provide valuable feedback to amend them and eventually arrest attrition.

Interestingly, a study made by HR Focus Magazine, published on July 2008, stated that that it is often believed that employees leave as they have better offers pertaining to money, but the real fact is communication! Proper communication at a 360-degree level, coupled with an open-door policy is a formidable combination to retain talent and foster Organizational Commitment.

Why an organization should conduct exit interviews

Feedback from exit interviews helps in identifying organizational problems, learn about potential legal liability situations, and foster an on-going relationship with the company alumni (Giacalone & Duhon, 2012). Aspects like satisfaction with management, compensation and benefits and overall morale are key takeaways from conducting an exit interview. The exit interview helps in tracking the trends of voluntary separation. Suppose an organization suffers from discrimination problems with regard to employment of women or minorities, the exit interview will be able to clear the picture to the management of this particular trend of turnover and the probable reason i.e. lack of advancement opportunities. Although the real reason for turnover is often masked by the employees' Impression Management skills, it is still left to the skills of the exit interviewer and the senior management to decipher the real reason(s) behind the turnover. Such limitations of the exit interview are discussed in a separate section of this study. Feedback with respect to Training and Development (T&D) can be gathered and issues like lack of challenging job opportunities, uninspiring leadership, demotivating peer group and debilitating Organizational Climate which led the employees to feel demotivated and rudderless can be revealed through exit interviews.

Issues pertaining to adequate and desired compensation and benefits gets highlighted once the leaving employee opens up with the exit interviewer and the company gains an industry perspective of the pay-scale through this process. It has often been quoted in leading HR magazines and circulars that once an employee decides to leave, let them free, but before that ask them one question "how much is being offered?" Compensation being one of the primary USP of job profiles, it becomes mandatory for organizations to gain information regarding the figures and associated benefits. Such valuable information lends the organization a unique competitive advantage when attracting and interviewing incumbents or more importantly retaining the present talent. Poaching (from a HR perspective) is common nowadays and organizations blatantly practice it to have a rich talent base, which eventually will reap huge returns.

Public Relations of the company and the image of the organization as a better employer, a company that keeps employees first, customers second and such related tags are boosted once a proper exit interview is conducted. Grievances, expression of disliking with regard to certain organizational issues must be kept note of by the interviewer and a promise to escalate the issues to the senior management and resolve them, must be made, if deemed fit and relevant. This lets the departing employee feel that the company has genuine concerns about the employees and this alone is enough to spread goodwill in the market. This also encourages the alumni of an organization to re-join their previous employers at a later stage of their career.

Exit Interviews are often used to protect trade secrets of an organization by reminding the employees about their obligations with respect to intellectual property rights and incomplete agreements, if any exist. A thorough review of computer files, communications helps the organization to be well aware of confidentiality or any customer-specific issues before the employee leaves. It helps to identify potential legal problems and avoid future litigations (Giacalone & Duhon, 2012).

Researches have forwarded varying degree of significance of exit interview, in the context of its usefulness vis-a-vis managing and retaining talent. For example, studies on Asian-Pacific companies revealed that 92% of the studied companies conducted mandatory exit interviews. This might be a practice as a result of the exceptionally tight labor market in Asia. However, interestingly, the exit interviews did not create much impact, as far as the companies' policies or practices are concerned. On the contrary, only 64% of Central/South American companies conduct mandatory exit interviews (Spain & Groysberg, 2016).

Goals for a strategic exit interview program:

A strategic exit interview program should aim to achieve the following goals:

Understand the real issue behind the off-boarding - Instead of focussing on salary and benefits, while conducting the exit interviews, organizations need to pay attention to issues, such as, succession planning, performance management, leader-subordinate relationship, and so on.

Understand employees' perceptions of the job role – Companies need to understand whether the employees perceived the job design, working conditions, appropriately. This can help managers improve employee motivation, efficiency, coordination, and effectiveness.

Understand the issues with the line managers' leadership styles - Organizations may come to know about the issues about the leadership styles of the line managers, through training and development, the modification of certain non-acceptable behaviors may be possible, in this context.

Generate ideas for improving the organization, per say – During exit interviews, people may like to deliberate on issues, such as, company strategy, operations, systems, competition, based on the individual's own experience.

Create employer brand – Exit interview gives an opportunity to the HR Department and the employees to share their feelings. If used appropriately, this may act as an ideal opportunity to motivate the leaving employee speak good about the former employer. This may encourage the potential candidates to positively consider the company, as a place for their future career.

Conducting the Exit Interview

Exit interview practices and policies vary, depending on issues, such as, company size and industry; nature of workforce, operational mode. However, essentially, companies at large, need to keep the following in mind, in this regard (Frase-Blunt, 2004):

- 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.

HR professionals are required to conduct the exit interview with prior knowledge about the job profile, performance, regularity, organizational compliance, subordination, discrepancies and other job-related variables from the employee's manager and the organizational monitoring systems/metrics before initiating the interview. It is a convention that the HR staff conduct this interview, but few organizations employ company ombudsman or third-party consultants to execute the interview. This is primarily done to rule out any bias while assessing or conducting the interview, but this process is resource-hungry and, thus, most organizations rule out this proposition. Some of the questions which may be asked, during the exit interview are stated below ((https://hiring.monster.com/hr/hr-best-practices/small-business/conducting-an-interview/exit-interview.aspx):

- How the employee felt when he was with the company?
- Whether the employee has any suggestions for improvements?
- What steps could the company have taken if they were to stop the employee from the leaving the company?
- What is being offered by the new employer which the present company could not provide to the employee?
- How the new assignment will lead to fulfilment of the career goals of the employee?
- Would the employee like the present company to keep in contact to let the employee about future opportunities?
- Requesting the employee to let the company know as and when the employee gained new skills and experience.

The two most common methods used for exit interview are face-to-face (F2F) interviews and questionnaires where the former employee is asked to mail after departure (HR focus, 2008). There are benefits and drawbacks associated with both the methods, but the choice rests with the organization as the variables for decision are time, resources and expertise.

<u>Face to Face Interview</u>

Before initiating the discussion, the employee should be made aware of the fact that anything discussed in the interview will remain confidential and it is being conducted for the benefit of the organization, so that corrective measures, if any, can be implemented to arrest attrition. This disclaimer at the very beginning puts the employee at ease and inhibits demonstration of any Impression Management techniques. This method of interviewing demands a certified and an experienced professional who has the expertise to handle sentiments, emotions, sensitive information, controversial issues, violent outbursts, and any non-parliamentary conduct of behavior. The interviewer must be matured enough to empathize with the shock of the employee (in case of layoff), have a professional conduct (in case of resignation) and a family-like attitude coupled with gratitude and reverence (in case of retirement). The interviewer must begin with a positive note, irrespective of the case of employee departure, i.e. resignation, retirement or layoff. This format of interview helps in bringing out the real feelings of an employee, as there is a personal touch involved, and it is believed, that the inputs will not be ignored. A F2F interview helps to probe into the pain-points of the departing employee and helps in bringing out the core issues which led to turnover.

Questionnaire

One of the immediate benefits of this form of exit interview is the cost effectiveness. It is beneficial when the organization has limited resources (financial or HR staff strength) or has a huge turnover population. This form of interview is commonly conducted in small enterprises and call centres. Questionnaires are sent and returned generally one to two months after the departure of the employee. This is done because firstly, human memory is volatile, conducting this interview any futher than two months would lead to loss of memory of the employee and hence would result in erroneous or inadequate data collection. Secondly, for the laid off employee, it gives the employee enough time to recover from the shock of severance, settling of emotions, getting a new job, settling there and then finally pondering upon the organizational issues of the previous organization. Thirdly, for the voluntarily resigned employee, it gives him sufficient time to reflect about the issues and concerns after the gaiety and excitement of the move has quieted (HR Focus, 2008).

Tactics and techniques

Exit interviews in order to become strategic tools for talent retention and arrest attrition must be conducted in the right earnest. It should not be merely treated as an operational activity or a duty. For this to happen, the participation of the right people (including organizational leaders) need to be ensured , who can truly bring out the issues that lead to the exit and plug the gaps from there on to stop **talent** from moving away from the organization. A Committee consisting of high level executives must look into the findings and decide the future course of actions to be taken based on the lessons learnt from the inputs of exit interviews. This topic needs to be discussed and re-visited at least, once, annually, for gaining strategic benefits from the same.

After the goals are decided and the ownership is assigned the following tactics and techniques can be employed to make the process more sceintific in nature. Here a few directives amy be kept in mind (Everette & Groysberg, 2016).

The interviewer choice: Research suggests that second line managers (immediate supervisors) involvement helps in digging out honest answers from the incumbent leaving the job, as their involvement is seen as a sincere effort on the part of the organization by the incumbent to know about the real issues for exit. In case a second interview is also being conducted, outside / external expert makes a better choice as there is possibility of elimination of bias of any kind and retention of objectivity on the report of the results of the exit interview.

The Interviewee: When it comes to choice about who should the company choose for intrviews, it is better to chose high flyers or the superkeepers. This is because these candidates have a better view and knowledge about the organization and their views can make and mar the brand of the company. Knowing their views may help the company to correct the policies and programs based on the suggestions of these star performers who generally would have a higher level of perception about what is good for the company and what is currently plauging the company policies.

Timing : Most companies conduct EI s in the last week before the employee's departure is to happen from the company. Howver, by this time it may be too late as the employee might have disenaged mentally from the organization. Some organizations have found that cnducting the EIs after a month (after the candidate has left) in a suitable time and place as per suggestion so fthe ex- employee may yeild better esults. The atmossphgere thenseems to be more relaxed and the ex- employee amy come out more honestly with the views about the real reasons for departure as he/ she ahs little to lose now. Any thing between 60 to 90 minutes have been seen to be ideal for such interviews though the timings may ger shortned or exended depending on the how the conversation actually happens.

Frequency: Research has shown that more honest ansers and forthrightness in answering questions previously avoided increases in the second interview after the employee has left the company. This it may be ideal to hold one more interview after a gap of 6- 9 months , after the initial interview (held in the company) as a follow-up to get more probing results.

Method: It has been suggested that atleast on face-to-face interview may be essential which can later be supplemented by telephonic interviews or we surveys. This has seen to be linked to better branding and increase the ambassadorial value of the interview as a tool for employer branding for future.

Structure and manner : A combination of structured and unstructured interview questions may helpful. While structured questions helps in finding trends and trouble spots, the unstructured questions may be a provider of clues to those one-off unexpected areas of concern, which might not be captured through a structured format.

Information gained: This depends on the intention of the interview committee dealing with results/ findings o f EIs. It can be used to identify performance or opportunity gaps, based on which the key resources and solutions may be demanded to help the company to arrest its policy level annomolies which may have been the antecendent factors causing attrition to happen in the organization.

What to ask in exit interview?

The exit interview is not a place to grill the departing employee; hence unsettling questions, body language or conduct by the interviewer would defeat the purpose of the interview. Topics pertaining to the below mentioned list can be enquired:

- Reason for departure
- Degree of departing employee's satisfaction with compensation and benefits
- Work-life balance issues
- Communication and relationships with co-workers and superiors
- Whether treatment was fair and impartial
- Changes employees would make in their jobs
- Whether the supervision and training were adequate
- Whether there was sufficient opportunities for career development and advancement
- Legal responsibilities of departing employees to protect trade secrets

Limitations of Exit Interview

Despite the word of the company officials/ HR staff that the interview details would be kept confidential and will be used only for organization's benefit many employees continue to embellish or worse completely fabricate their responses in the exit interview. This method of Impression Management is due to the following reasons: improved reputation as a corporate professional, improved chances of employment references and positive recommendations, anticipation of faster clearance of bonuses/perks and benefits due, chances of re-employment in the future, etc. Such employees firmly believe that giving an honest or not-so-pleasant feedback would lead to 'burning of bridges' and adversely affect their interests. They also believe that the HR department works for the company and not for the employees and hence the occurrence of Impression Management techniques. Such instances are easily identified by seasoned exit interviewers and they have often recommended hiring of an external third party as an exit interviewer to resolve this issue. But as discussed previously, senior executives in various organizations do not encourage this proposition because this procedure is resource-hungry and might lead to leakage of critical and sensitive information to third parties, which is undesirable.

Nevertheless, an exit interview invariably provides valuable feedback to the company. Any organization which does not conduct this for its departing employees lose out on valuable information which will adversely affect their performances in future. But all said and done, if the feedback is not properly implemented the entire effort goes in vain. A proper implementation and consultation of the same by Organizational Development experts would definitely help the organization stand out among its competitors as a better employer to work for and render service.

References:

Buhler, P. M. (2011). The Exit Interview: A Goldmine of information. Supervision. August. Vol. 72 Issue 8, p -11.

Frase-Blunt, M. (2004). Making Exit Interviews Work. https://www.shrm.org/hr-today/news/hr-magazine/pages/0804agenda_empstaffing.aspx, retrieved on 13.1.2018.

Giacalone, R. A. & Duhon, G. D. (2012). Assessing intended employee behaviour in Exit Interviews. The Journal of Psychology. Vol I25, Issue 1, pp 83-90.

HR Focus (2008). How to learn more from exit interviews. July. Pp 3-6.

https://hiring.monster.com/hr/hr-best-practices/small-business/conducting-an-interview/exit-interview.aspx, retrieved on 11.1.2018.

Hutchinson, A. (2002). Exit Interviews: A missed opportunity for Compliance professionals. Journal of Healthcare Compliance, Mar-Apr, 2002. Pp 58-60.

Spain, E. & Groysberg, B. (2016). Making Exit Interviews Count, *Harvard Business Review*. April 2016, pp.88–95. https://hbr.org/2016/04/making-exit-interviews-count, retrieved on 15.1.2018.