

A Study on Exit Interview : Management Tool to Retain Employees

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Abstract

Exit interviews are raising trend in the organization, it is conversation conducted by the human resource department when an employee is leaving the company. This conversation can be oral as well as written. These interviews help the organization in providing feedbacks which open the area of improvement for the company and many times these interviews also work as management tool to retain employees. Exit interviewing is one of the most widely used methods of gathering employee feedback. The main objective of the paper is to study the concept of exit interview and to analyze how these interview work as the management tool to retain employees or diminishing employee turnover. Moreover the study also focuses on the significance and the challenges faced by the human resource staff in conducting exit interviews.

Keywords: Exit Interview, Management tool, Employee Retain, Employee turnover

Classification-JEL : M12, J28

1. INTRODUCTION

Exit interview is a wrap up conversation that takes place between management representatives and the employee who is leaving organization. These interviews can be formal or informal and are normally used when an employee has voluntary left the company but may also be used in case of termination also. It is a structured, purposeful and open discussion with the employee leaving organization. Attracting and retaining quality employees are core deliverables or objective of HR department. Exit interviewing is one of the most widely used methods of gathering employee feedback which helps the organization to understand the issue

and organizational culture and help organization in framing policies and restructuring. A skilled employee is the assets of any organization and the key driver of the organization performance and sustainability. A proper exit interview discloses authentic information of employee perception regarding the organization. This investigation helps the department to revises the policies which help the organization to retain key employees in future.

2. OBJECTIVE OF THE STUDY

- To study the concept of Exit Interview
- To study how exit interview work as the management tool to retain employees

- To study the Exit interview Process
- To study the significance and challenges in exit interview

3. RESEARCH METHODOLOGY

The present study is based on secondary data. The data is obtained through book, and reputed journals related to exit interviews. The information has also obtained by the exit interview related websites online.

4. EXIT INTERVIEW AS A MANAGEMENT TOOL TO RETAIN EMPLOYEES

Many researcher and the experts of the subject explain exit interview as not only the conversation which help the organization to understand the issues but can also provide lots of useful tips and information for improving the employees retention level in the organization in future. In some case these interview provide a chance to retain a skilled and valuable employee whom the organization want to retain even after he has resigned, as in interview session the reason of the employee leaving the organization can be solved.

According to the Joyce E.A. Russell director of the executive Coaching and Leadership Development Program at the University of Maryland's Robert H. Smith School of Business, most firms have depended on exit interviews to learn why their employees decide to leave as they seek acquiring honest information about the company that can be used to tackle the reason why some leave.

A skilled employee is the asset of any organization and the key driver of the organization performance and sustainability. Retaining skilled employee is presumably tough for any organization, exit interview can be strategically used to retain skilled employee as some time these interview work as the problem solving session for the valuable employee leaving organization. These interviews are also used as source of critical information about the organization and can help organization in

revising and formulating policies.

Attracting and retaining quality employees are core deliverables or objective of HR department. Exit interviewing is one of the most widely used methods of gathering employee feedback which help department in revising and formulating policies that improve employee turnover and retain employee. If the exit interview is well designed then it can be tool to help retain the talented workforce.

5. METHODS OF EXIT INTERVIEW

a) In-Person Exit Interview: This is one to one interview session between a representative of HR department and employee leaving organization. These interviews can probe for more information on each question and gives a personal touch to each employee which helps organization to get detail data for framing policies. But it has its own cons as it is time consuming process for the large companies and it's difficult to track information in verbally interview.

b) Telephone Exit Interview: Some organization involves third party in the exit interview, the motive of this is to save time. Telephone Exit interviews are conducted though the telephone by between HR representative of the organization and the leaving employee. Sometime organization hire third party consultant to be part of the interview, On telephone interview it is easy to track information and enter data in system moreover it is easier to schedule than in-person interview. But drawback of this type interview is it can expensive if third party consultant is involved and many time employee reluctant to share information.

c) Paper Pencil Exit Interview: Paper and Pencil exit interview are more formal and structured interviews. In this interview HR department make structure questionnaire that is given to the employee on their last day or mailed to employee. It is less time consuming process as compared to the in-person and

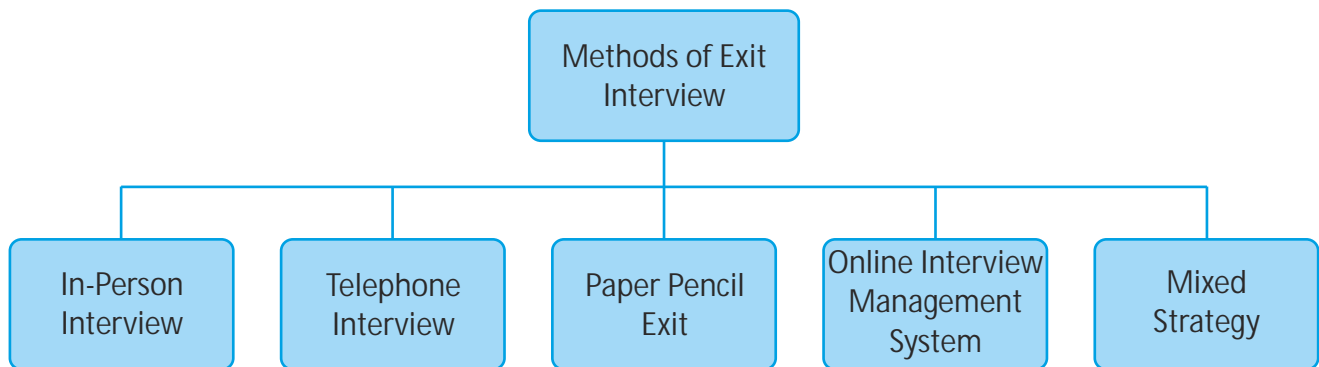
telephonic interview and easy to keep record that can help organization in compiling data and making policies to retrain employee and keep eye on employee turnover. Moreover many employees are more comfortable in sharing information on paper than verbally. But return rate for exit interviews form average just 30 – 35%.

d) Online Exit Interview Management System: Nowadays many organizations has portal on their websites which has structured form of exit interview and the employees feel comfortable in sharing information and its self service process. These portal automatically

compiles data and participation rate of online exit interview is very high as compare to the other methods of exit interview.

e) Mixed Strategy : Many organisation used mixed strategy that is the combination of In- Person and Pencil Exit interview.Human resource department conduct oral conervation session with the departed employee and well as structured and well defined form is given to the employee on their last day or mailed to employee. The benefit of this mixed strategy exit interview is that it covers all the details about reason of employee leaving organization as it covers oral as well as written information.

Figure 1 : Types of exit interviews (author's own)



6. PROCESS OF EXIT INTERVIEW

The process of Exit interview Starts with the resignation of the employee, once the employee put his/her paper the HR department starts its process

a) Resignation: A resignation is an official letter which employee send to their employers as a notice that he/she is no longer working in the company. HR department starts working as the get the information from the department that employee is leaving organization.

b) Collection Details : HR department starts collecting information about the departing employee which includes the detail of the job , responsibilities, authority, time period he/she serve organization etc.

c) Determine Method of the interview : Once the details of the employee is compile by

the department they starts working on the method of the exit interview .There is multi choice form to select a combination as they can have in person, telephonic, pencil or mixed interviews also.

d) Prepare the list of question: After scheduling the interview the HR department makes the list of questions that is being asked in session. An exit interview is a great opportunity to give company valuable feedback and suggestions for the company which helps in improvement.

Here are few questions that interviewer ask during an exit interview:

1. Why are you leaving?
2. Why did you begin looking for a new job?
3. What was the biggest factor that led you to accept this new job?

4. Would you ever consider returning to this company?
5. What could have been done for you to remain employed here?
6. How would you describe our company culture?
7. Please describe your experience of working here?
8. Please describe the three best things about working with your superior?
9. How can our company improve training and development program?
10. If you could change three things, what would they be?
11. Who are the three people who have made the positive impact on you and your career here at the company?
12. Do you have any other issue or comments you'd like to address?

e) Schedule the interview: after deciding the method the schedule of the interview is decided. Date from field and email widget to instantly contact the employee.

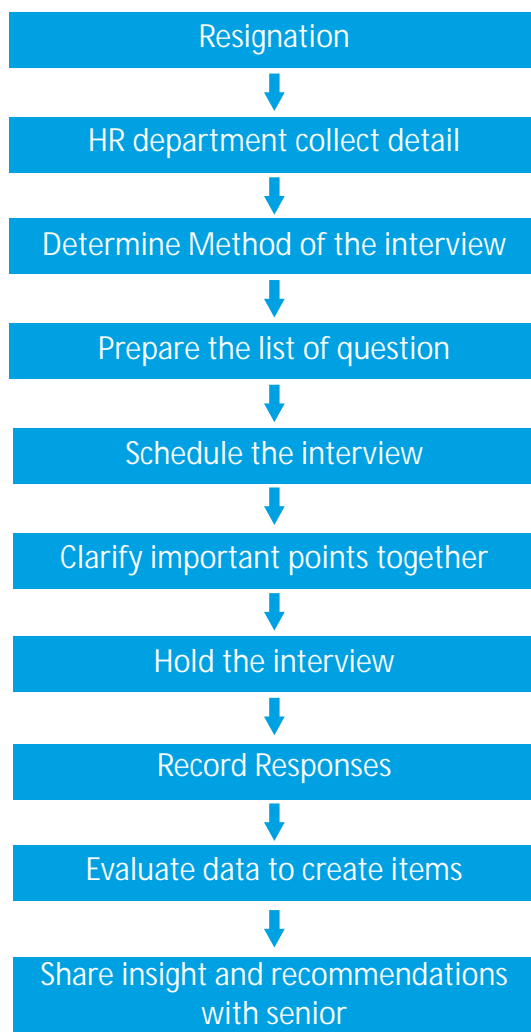
f) Hold the interview: This is meeting between the departing employee and the representative of HR department, or the third party consultant hired by the organization for the interview.

g) Record Responses: The data or the information collected by the exit interview is being compiled and organized.

h) Evaluate data to create items: Data and information is evaluated by HR department to create key points that can be discuss with the supervisors.

i) Share insight and recommendations with senior: Key points of the meeting should be share with an employee's supervisor or the next level up when feedback is relevant. Discussion about the feedback and presented suggestions helps organization to improve in all the aspect required improvement.

Figure 2
Process of Exit Interview (Author Own)



7. SIGNIFICANCE OF EXIT INTERVIEW

Exit interview play vital role in the retention of the employees in the organization as it helps to assess the overall employee experience and identify opportunities to improve retention and engagement. These interviews provide clue to organization which may cover aspects of the organization that are company culture, its policies, its relationship with the employees, customers, suppliers , community, its system and processes, its HR policies and practices, Health and safety issues, their own good and bad experience. Some of the following.

a) Scope of improvement: Exit interview are presented no- pressure meetings, because

the employees have already terminated their relationship with the employee, so they may be open about the issue involved. Exit interview provides business opportunities to receive constructive criticism about the work culture and work morale, an opportunity to growth.

b) Encourages good relation to departed employee: It is said that "The Exit interview is an opportunity to shake hands and leave as friends and not as enemies." These interviews work as the session of discussing the issue help to maintain healthy relation between the organizations and leaving employee.

c) Employee retention: Exit interview can provide lots of useful information to HR department about the reasons behind employee turnover, which may help to reduce turnover and employees retention in future if the information is acted upon. An exit interview may actually be a chance to have an open conversation about what could be changed to get the employee to stay or to consider coming back in future.

d) Identify the area of improvement: The data and information collected through the exit interview helps the organizations to identify the area of improvement and help management to take remedial actions.

e) Help in assessment of organization culture: Exit interview helps in offering deeper look of the workplace culture. Very useful information is collected through exit interview which may cover aspects of the organization that are company culture, its policies, its relationship with the employees, customers, suppliers, community, its system and processes, its HR policies and practices, Health and safety issues, their own good and bad experience

f) Improve working environment: these interview can help organization in making positive relationship and welcoming working environment.

g) Feedback: Exit interviewing is one of the most widely used methods of gathering

employee feedback. This constructive feedback helps the organization to identify the area of improvement as this data or information help the management to revise their policies of the organization.

8. CHALLENGES FACED IN EXIT INTERVIEW

Good exit interviews yield useful information about the organization and help to assess and improve all aspects of the working environment, culture, processes and system, management and development, etc. But sometimes it's challenging for the HR department to organize a successful exit interview, these are some of the challenging points

a) Low participation from departed employee: Many ex-employees will opt out of the exit interview especially in case of telephonic or mailed form. Once the employee make decision to leave the organization they didn't participate in the process of the organization.

b) Creation and implementation of Exit interview: Planning of an exit interview should be done properly. A trained interviewer should be there for conducting the interview. An untrained interviewer might not know how to configure the interview with the right types of question. So creating and implementing exit interview effective is tough job. Moreover exit interview is a complicate process of compiling, tracking and analyzing data.

c) Costly: Many companies are outsourcing their post-hire, third party consultant or supplying their HR team with the proper training for these interviews, which is time consuming as well as costly process.

d) Time consuming: Exit interview can be a time consuming affair. It takes time to arrange, conduct, decipher and create action plans based on information. So these interviews required time as well as costly.

e) Right Feedback: Ex employee may not share the honest feedback because they are not

emotionally invested in the company any longer. If the interviewer can get the honest answers, this process is little more than filling out the right paperwork and turning the key. If the employee does have strong negative feeling, exit interviews can be tense or heated and the information will not be valid, these interviews are considered to be waste of valuable time and the information provided is seen lacking invalidity.

9. CONCLUSION

According to the study by the Society of Human Resource management over 90% of companies conduct exit interviews. And exit interview is one of the effective ways by which

organization can retain their valuable employees as it is used as method of gathering feedback that can help human resource department in revising and formulating policies. Exit interview is a conversation between the departing employees and a representative of the organization regarding the reason of separation or resignation. Today's knowledge economy era, skilled employees are the asset that drives organizational success. So the goal of an organization is to retain valuable employee.

From the departing employee interviewee perspective, this interview is a chance to give constructive feedback and to leave on a positive note with good relation and mutual respect.

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