

Exit interview -A Competency based Practice for Employee Retention



P Hameem Khan, Aliya Sgultana, T Narayana Reddy

Abstract: *Employee Retention is an imperative proportion of the strength of an organisation. HR department should execute remedial programs on turnover administration: the gathering and examination of information on turnover patterns, identification of turnover factors through formal exit interviews, and usage of remedial activities which address the primary driver of turnover. This research paper centers on the Exit Interview as a competency based tool for archiving employee turnover data. Exit interviews help in changing organisational policies towards retention. This study has been carried out at HCL technologies Hyderabad. Samples are collected from middle level employees through a structured questionnaire. Hypothesis was tested by using Chi-square and ANOVA. It has been proved that exit interview has significant impact on employee retention and it controls annual employee turnover.*

Key Words: *Retention, Turnover, Exit Interview, Remedial Activities, Administration.*

I. INTRODUCTION

Global opportunities make employees leave the organization quite often even the exit appears unforced, to understand the reasons why employees are leaving management has to conduct exit interviews and analyze the factors for the exit (Armstrong, 2006). In IT industry employees will receive offers from recruiters frequently, tempts them with lucrative benefits and larger payment or an innovation to work with. High potential employees always love to work in challenging environment to explore and enhance their career. Exit interviews are diagnostic parameters (Hinkin, T. R., & Tracey, J. B., 2010) that provide management with meaningful information regarding the reasons and analysis of employee turnover (Mok, C., & Luk, Y., 1995). Exit interviews provide management with the right set of circumstances to improve from the feedback of existing employees, a chance which the management wouldn't have with previous employees (Iqbal, 2010).

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Exit interviews also serve as information sources to management to counter the aggravate exit thoughts in employees (Holtom, Brooks & Mitchell, Terence & Lee, Thomas & Eberly, Marion., 2008). It is imperative that interviewers are trained properly so that they can conduct exit interviews efficiently. They should have been given relevant information regarding process goals and employee details. Interview process is sensitive and emotional content can arise. Interviewers have to create friendly, honest, and respectful environment to deal with individuals. They must listen to employee answers with non-judge mental attitude to improve the situation. Having a positive interview environment influence employee intuition and what they share to other employees. Exit interviews improves the methods and standards of employee management.

RESEARCH OBJECTIVE

1. To study the relationship between exit interview and employee retention.
2. To analyse the changes in employee retention polices post exit interview.

METHODOLOGY

Data has been collected from primary sources through structured questionnaire, sample size was 120 employees, ANOVA test is applied to test the hypothesis.

HYPOTHESIS

H0₁: There is no significant relationship between exit interview feedback and employee retention.

H0₂: There is no significant relationship between employee participation in exit interview and employee retention policies.

H0₃: There is no significant relationship between quantitative data of employees and employee retention.

II. LITERATURE REVIEW

Abelson and Baysinger. (1984), expressed maintenance expenses to incorporate higher pay, advancement and intra association exchange, struggle upgrade, and lessened staffing adaptability. The exit interview is a conversation between an interviewer and an employee who is ready to leave. It collects data on experiences and genuine explanations from employees who are about to leave.

Faragher J. (2017), an exit interview is done by using a set of structured questions, through which management can be able to record why employee wants to leave? What does HR Department think about it? Till today many organisations don't have a proper support system for employee concerns.

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Levin G. (2007), Exit interview should be done in win-win environment and it is suggestable that it is taken up by a third party.

This act makes employees much comfortable in sharing their concerns and reasons behind leaving. Thorough this important data can be which can control employee turnover rate.

Silverman WK. (2001), mentioned the importance of exit interviews, as they avert some potential impediments that may occur. The ownership rights of an innovation that is owned by the departing employee in association with the current organisation would not be taken to a new organisation where he joins. It improves the relationship between departing employee and current organisation. And it ensures all necessary explanations and further possibilities in the organisation to the departing employees.

Van Wert IG. (2004), it has been identified that the perception of the exit interview is reduction of efficiency or effectiveness. A good management always accepts their own flaws and take actions in that way. It is also stated that the employee who is leaving should have a rational reason. Most of the time

management is adamant to take exit interviews, as management believes that it might disclose the organizational failures. Training should be given to the employees on the basis of exit interview recommendations.

III. EXIT INTERVIEW AS A COMPETENCY BASED PRACTICE FOR EMPLOYEE RETENTION

Employee Retention has been a major problem to IT Industry, global opportunities and lucrative packages from competitors making employees to leave the company. Exit interview is a formal procedure which is conducted to get the valuable suggestions and feedback from outgoing employees, suggestions and feedback are used to make further polices on employee retention. Employee participation in exit interviews is a challenge as they are unsatisfied and frustrated and they will not take it on serious note as they are aware that nothing can be figured out after all giving the honest feedback. But to make effective policies on retention Concrete feedback, active participation and quantitative data from employees are needed.

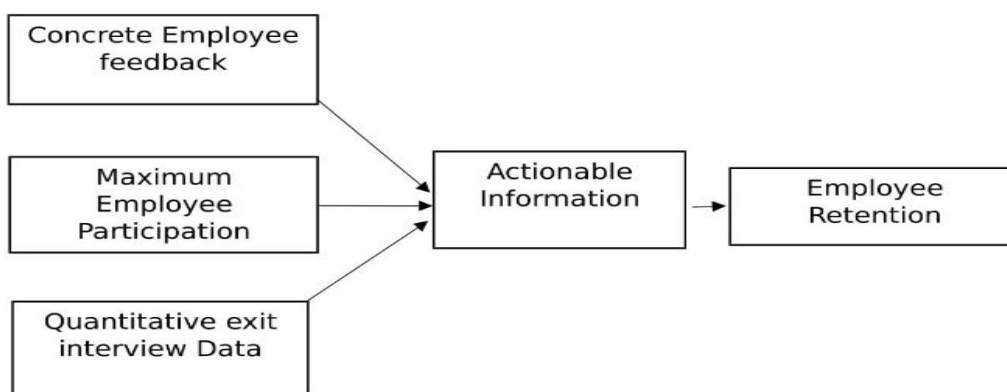


Figure No.1 Exit Interview-A Competency Based Practice for Employee Retention

Employee feedback

Exit interviews are conducted as a tool to build a positive relationship with the departing employee, high potential employees will be given priority and interviewers try to persuade to withdraw their resignation. Salary hike, Employee Stock Options and other benefits bestowed up on skilled talent. Exit interviews are the greatest sources for collecting concrete feedback from the employees, this feedback is used to take assertive measures in controlling employee attrition. Proper implementation of feedback

obtained from exit interviews is not only valuable for the departing employees but also organisation as a whole. Exit interview is a liaison between organisation and employee attrition (Bharatvajan R, 2014). Exit interview feedback data should be flowed to line supervisors on timely basis so that they can monitor the employee churn, gathered information should be used in departmental or unit reviews for identification of areas requiring policy amendments (James G. Neal, 1989). Employee feedback from exit interview is used to improve the policies and facilities at work place.

Table No.1 Employee Feedback through Exit Interview

[Model Summary^b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.185 ^a	.034	.000	1.117	.034	1.013	4	115	.404	2.072

a. Predictors: (Constant), Policy amendments, Positive Relationship, Identify High Potential Employees, Liaison role

b. Dependent Variable: Employee Feedback

Table No.2 ANOVA – Test for Employee Feedback through Exit Interview

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.062	4	1.266	1.013	.404 ^b
	Residual	143.604	115	1.249		
	Total	148.667	119			

a. Dependent Variable: Employee Feedback

b. Predictors: (Constant), Policy amendments, Positive Relationship, Identify High Potential Employees, Liaison role

H0₁: There is no significant relationship between exit interview feedback and employee retention is rejected as the F value is 1.013.

Employee Participation

Exit interview is a tool which makes employee to participate and give honest feedback about the company, interviewers negotiate and make employees to rethink and with draw the resignation. It is important to make sure to select a good method for conducting exit interview process, online exit interview management system enables employee a hassle free participation. Questions which are asked should be simple and comprehensive, so the data collected will be intense. Employees often reluctant to participate in exit interviews as

they feel that nothing can be changed after all are giving the honest feedback (Md. Sajjad Hossain, Samiha Tasnim Himi and Junayed Al Ameen., 2017). In order to overcome such issues exit interview would be conducted as per employee willingness and schedule, every possible option has to be given to the employees to make sure stay back in the current organisation. Employees are the valuable assets for any organization, while they depart from the company it’s important to settle all their arrears and exit interview should be that platform.

Table No.3 Employee participation in Exit Interview

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.064 ^a	.004	-.031	1.264	.004	.117	4	115	.976	1.724

a. Predictors: (Constant), Collection of Exit Reasons , Comprehensive Discussion , Employee willingness , Withdraw Resignation

b. Dependent Variable: Employee Participation

Table No.4 ANOVA – Test for Employee participation in Exit Interview

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.749	4	.187	.117	.976 ^b
	Residual	183.617	115	1.597		
	Total	184.367	119			

a. Dependent Variable: Employee Participation

b. Predictors: (Constant), Collection of Exit Reasons , Comprehensive Discussion , Employee willingness , Withdraw Resignation

H0₂: There is no significant relationship between employee participation in exit interview and employee retention policies is rejected as the F value is 0.117.

Forms, questionnaire, structured interviews are effective tools to collect quantitative data (Shukla K, Deb R. 2017). Organisation has to maintain a separate data base to collect and store the data such as Internal data storage system or cloud storage facility. Exit interviews allows organisations to analyze quantitative data on large scale, data patterns uncover the exact reasons of turnover and bring out suitable measures to retain employees in a reliable way.

Quantitative Data

There will be so many reasons for employees to leave the organisation, to learn reasons and making the decisions, it is important to have quantitative data which can be collected from employees through different techniques. Oral interviews, unstructured questions may not help in collecting the data. The task of exit interviews should be assigned to third parties to collect unbiased data. Chat bots, google

Table No.5 Quantitative Data Collection and Tabulation

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.115 ^a	.013	-.021	1.159	.013	.385	4	115	.819	1.788

a. Predictors: (Constant), Third Party exit interviewers role, Collection of Exit Reasons , Data collection Methods, Data Patterns

b. Dependent Variable: Quantitative Data

Table No.6 ANOVA – Test for Quantitative Data Collection and Tabulation

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.070	4	.518	.385	.819 ^b
	Residual	154.430	115	1.343		
	Total	156.500	119			

a. Dependent Variable: Quantitative Data

b. Predictors: (Constant), Third Party exit interviewers role, Collection of Exit Reasons , Data collection Methods, Data Patterns

H0₃: There is no significant relationship between quantitative data of employees and employee retention is rejected as the F value is 0. 385.

IV. RESULTS AND DISCUSSION

This study examines the impact of exit interview on employee retention, 12 variables were identified and studied under three factors. Employee feedback which is collected through exit interview has significant impact on employee retention, employees of HCL felt that exit interview improves relationship among employees and employers, it takes liaison role in bridging the conflicts. High potential employees are identified and their valuable feedback is used to frame further retention policies.

Employee participation has outstanding role in exit interview as most employees don't want to share the reasons for resignation, exit interviews motivate employees to participate at their flexible schedule. Employees opine that exit interview conducting method at their company is quite good and it is making them to think again stay back in the company. Comprehensive discussions were happened between employees and management. Majority of the employees considered that exit interviews can provide an opportunity to the organisation to control attrition rate by consulting outgoing employees.

The data collected through exit interviews is tabulated and quantified, employees answered that their feedback is collected systematically and the data collection instruments were easy to understand. Exit reasons were deliberately recorded and the tabulated data has been used to predict the future employee churn. Exit data has been used to project the attrition trend and to take necessary actions. Quantitative data has become blood for any organization in order to meet the future uncertainty.

V. CONCLUSION

From the above study it has been concluded that exit interviews have positive impact on employee retention, employee turnover is affecting the company in many ways like losing skilled talent, project rejections, financial crisis so on so forth. Employees opined that exit interview is giving an opportunity to the company to frame employee based work policies, methods which are using to conduct exit interview are easy to involve and the information recorded is being used up on improving work place facilities. Employees are getting motivated to participate in exit interviews by the design and structure,



third party interviewers are unbiased and helping the organisation in retaining talented work force. A few employees are hesitant to share the exact reason for exit, management has to focus on the root cause of this issue in order to make efficient retention policies.

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