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Exit Interview- A Tool to Reduce Attrition

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ABSTRACT *The article shows how exit interview is gaining importance in different companies as a powerful tool to reduce attrition. It throws light on the fact that exit interview should not be a paper activity rather it should be more structured and realistic. Companies should increase the level of participation among the employees in the exit interview so as to rectify their company related defects.*

KEYWORDS: Exit interview, Attrition, Employee grievances

Attrition is an important issue that poses a significant challenge for IT industry. It has a profound impact on an organisation's performance, growth and general outcomes. Increasing attrition is a serious concern for every company today and they are fighting with this problem by redefining their HR policies and practices. At a certain point we cannot stop attrition, but we can definitely reduce the rates. There was a time when employees joined a particular company and struck to the same through their life. But, the situation is entirely different now. New age employees are far more flexible than the old ones. Companies can also have a pivotal role in this respect. If the employers use only hire and fire policy for their employee, then in that case they should not expect that their employees will be loyal to them. Exit interview helps the organization to identify and rectify the drawbacks of HR policies.

Often, in an Exit interview the HE executive manages to retain the employee concerned through tactful dealing. But, in other cases, the company can at least come to know about the areas where the improvements are necessary. Exit interview is a tool to reduce attrition but it will only work well if other HR activities of the company are properly streamlined.

It is obligatory on the part of the organization to address employees' grievances and satisfy them by providing congenial work environment. For that reason, companies are carrying out different surveys relating to employee satisfaction. One of the important tools in getting employee feedback is exit interview.

Previously,exit interview was not so prevalent in most of the companies but nowadays, it is gaining importance in different large companies and MNCs. An exit interview is a very effective process of gathering information from the employees in relation to what they have experienced in the organization. It is an interview which is generally conducted on those employees who are voluntarily leaving the organization rather than being fired by the company. It provides a good basis for employee feedback and to determine the loopholes of HR policy in the organization.Through these types of interviews, the HR department can also gather information regarding the areas where the employees are satisfied and which are the areas where improvements are required. This interview is generally conducted by the executives of the HR department.

The HR representative asks certain questions in a prescribed format preferably in a questionnaire format to the departing employee to share his/her experience with the organization. The positive and negative feedbacks are stored for further evaluation process and to take necessary actions in future.

Exit interview should be conducted face-to-face and in private. But nowadays, it can be conducted over telephone or it can be a web based online interview. Face-to-face interviews enable better communication and interpretation as well as provide a better opportunity to probe. Listen carefully to the employee rather than talking; always keep calm and give time to the interviewee for answering.

According to a research study, the average participation rate in an exit interview is 30-35%; with few extra efforts companies can double that response rate to 60-65% or more. Always make sure that the company has good methods to conduct these interviews. Also, there must be a proper way to track the employee participation rate and analyze the reasons why employees are not willing to face exit interviews.

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Companies perform exit interviews to assess why people are leaving and if there is any issue that needs to be addressed. Now of course what they do with that information depends on the company. Some companies just file it as they are doing a routine activity. Others look at it, may be discuss some of it, see if there is a pattern but then do very little else. A truly great company will look at it, investigate issues that were brought up, and look into making changes, which are appropriate to make the company better.

Conducting exit interview is the duty of the HR department but in most cases, junior executives are vested to do this task who does not even know the value of this interview. Often HR managers also do not take this activity seriously. The fact is, everyone knows the problem of the company but nobody takes a chance to correct the issues. The interviews should be properly structured by senior management personnel or a person from third party who can also provide recommendations to the top management.

SIGNIFICANCE OF EXIT INTERVIEW

As employee attrition is a serious concern for many companies, it is necessary to find out why people are leaving the company. Due to increased attrition, the company not only loses a talented employee, but it also costs a lot to the company as from hiring to training and also after training, the company spends a certain amount on that employee. More and more the people leaving the organization voluntarily in a particular period is not a good sign for organizational development. Companies must consider the issues relating to man management. Through proper application of feedbacks the company can reduce attrition rates.

There is also a hidden purpose of exit interview. Companies can use this information as evidence against employees regarding any disputes or legal matters. Through exit interviews, valuable feedback can be obtained on training, development, benefits and compensation policies. The company can justify whether the training modules designed to upgrade the skills of the employees are appropriate or it needs further modifications. Likewise, the HR department can also assess whether the salary package set for a particular post is competitive in the market or not. These factors are highly important in formulating strategies to curtail attrition.

REPERCUSSIONS OF EXIT INTERVIEW

The feedback of an employee from an exit interview can be positive or negative or a mixture of both. Positive feedbacks would not have any repercussions. On the other hand, negative feedback should be taken into consideration if justified as organizations have to rectify those errors. Often angry employees avoid these interviews but it is the duty of the HR executive to encourage those employees so that they vent their anger in the interview process. Employees are not going to take the interview if they feel that it is only a paper activity. Thus, HR executives should make them understand that their suggestions should be valued.

A good exit interview yields useful information about the organization as a whole, the culture of the organization, its systems and management, etc. This interview also gathers facts about the quality of work and the organization, its staff, suppliers, customers and also the general public.

BENEFITS OF EXIT INTERVIEW

Exit interview yields the following benefits:

- A peace making situation can be made with an irate employee.
- Exit interview can be seen by the existing employee as a sign of building positive culture and encouragement to constructive feedback.
- It provides valuable information about manpower planning and induction training.
- Exit interviews can also be taken as the basis for succession planning.
- Through these interviews mistakes can be identified properly and corrective measures can be taken.
- It provides a suitable method for knowledge transfer.
- It enables better interpersonal relations among the employees of the organization.
- It helps a lot in curtailing employee attrition and improves employee morale.
- It helps to improve the quality of work life of the employees and issues like stress, harassment, discrimination etc. can also be controlled.
- It also improves the reputation of the HR department as a whole.

CONCLUSION

Exit interviews are recognized in many companies nowadays and are used as a valuable tool to collect employee feedback. Outsourcing and automated surveys are the new trends in the Exit interview process. Third party firms are also conducting exit interview on behalf of companies as some companies feel that the departing employee will be more objective and open to a neutral party. These third party interviews are often trained in asking minute details and can get more information out of it. The information collected from the exit interview is only valuable if it is used in a systematic way. It must be circulated to the appropriate authority within the organization and then analyzed and acted upon to make positive changes. Otherwise the whole process will be a fiasco.