



Stay Interviews: A Missing Facet of Employee Retention Strategy

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ABSTRACT

In the knowledge driven economies, the workforce is sighted as the live stream of organizations and the war for talent is intensive across job markets. The alarming attrition levels, especially in the industries like IT, has been merely challenging the company's resource managing ability to come out with effective retention strategies that endure beyond the obvious of trends and assessments of employee turnover ratio at organizations.

Organizations are keen to know those factors that can keep an employee engaged and committed creating a win-win situation. For long time companies with the hindsight approach, have been focusing on knowing why employees leave the organization rather to stress on knowing about what keeps an employee to stay with them. So considerably, the approach of "Stay interviews" helps the organization in gathering these hard facts and provides them to stay proactive with issues of employee turnover and retention.

With the objective to uncover reasons and understand factors that appeal to employees to continue their stay with an organization; this article, studies across the factors of job satisfaction, management policies, career advancement, working conditions, pay benefits, rewards, recognition, job security, use of skills, work group cooperation, training and development, family and personal issues. This study includes the factor whether the employee looked for any job change during the past six months. Nevertheless, infant attrition, where an employee wants to leave in a short period say some six months of joining is not considered.

It is quiet apparent that employee-employer relationships matter a lot to "score" with employee groups above the mere efforts of considering skills and technical competencies. This paper comes out with some interesting findings on why employees haven't sought new employment opportunities and consequently helping companies to understand its strengths, as an employer. Nevertheless, further, companies can also know, equip and work on the mentioned areas of concern from the employees; thus affecting retention and turnover rates significantly.

Keywords : Attrition, Employee Turnover, Exit Interview, Retention Strategies, Stay-Interviews.

INTRODUCTION

More than a fad, Job-hopping has become a rampant culture with Indian Organizations. So, emphasising on the costs and commotions alone associated with employee turnover, continues to remain implicative and stay aloof in either exploring or fixing them. On taking a closer view at the organizations retention strategies in practice forcing companies to think, "Why don't we just ask employees what works with them?"

Yes, companies do ask employees about the reasons for leaving the organization, but the effort ironically comes only after the employees have made their decisions to quit. These exit interviews would only hint at the reasons for an employee to leave an organization, rather don't provide critical insights in preventing or influencing their decisions about untimely exiting; thus leaving organizations with hapless measures to rollout retention strategies that contain the retention rate.

This conventional practice of assessing and analysing employee quitting is focused on typical aspects of turnovers and has never seriously escalated beyond the obvious. This approach fails to understand about the commonly representing aspects of the issue. Hence, aiming at the employee retention efforts utterly ignores the basis and its common grounds so

as to encourage the majority of workforce staying with the organization.

The usual shortfalls arise in this approach can be outlined as;

- The understanding of the employees quitting has never raised above the threshold of the typical reasons but never focused to look beyond the reasons of why a portion of employees prefer to stay. At times it is a common sense applied learning and equally more important to be aware of the reasons to stay, as much as the reasons for leaving; as it could be a blend of same set of reasons for an individual preferring to stay or quit.
- Exit-interviews, always been imagined that there exists a correlation between employee turnover, work dissatisfaction and policy formulation. This discreetly shares a general impression that happy employees lead to productivity; but not necessarily so.

In case if Stay- Interview could reveal that an employee prefer companies that support to complete one's graduation or a course certification instead of Cafeteria or other travel facility; the organizations should look at these indicators as new benefit to hook on for top talent. Companies facilitating

with such policies shall empower the overall attitude towards organizational policies and thus proves how effective the Stay-interview can unveil a range of possibilities and factors that can make employee stay with the organization.

Stay-interviews can be quiet sensible, prudent and pre-emptive measure in an organization to uncover the facts and facets of employee retention.. These interviews can be very effective like wellness visits, which spots on various factors that are currently working well to stay and also takes note of the aches and pain, slips and gaps that needs to be fixed. If organizations don't commit to address these short comings, they can eventually destroy the perspective fabric among the employees community driving the turnover rate. These interviews are more of conversational in nature and are conducted between manager and employee, one on-one basis, seeking the gaps, during casual coffee breaks, snack times, campus walks, where employees are encouraged to speak more freely than in a less formal setting.

The exit-interviews are more like playing Russian roulette, where taking more chances than choices, giving in so-so results. On the contrary, the "Stay interviews" being in place, they shall convey a lasting rationale that supports in strengthening the organizations bond with its top performing talents and improves scope to uncover the aspects that, keeps them to stay with the organizations.

LITERATURE REVIEW

The exponential growth of IT sector in India, in the last few decades, have prompted employees with more employment opportunities, has been a contending issue posing a critical challenges for organizations in retaining their best and top performing talent. A numerous studies have been conducted on employee's retention and a considerable amount of literature has been published as well. The literature review on this subject and related studies, have given a lot of insights and also helped in analyzing the existing gap that, could potentially be taken up for further research.

Mobley, W.H. 1977. Intermediate linkages in the relationship between job satisfaction and employee turnover. *Journal of Applied Psychology*, 62, 237-240. Although it is clear that the relationship between job satisfaction and turnover is significant and consistent, it is not concluded very strongly and the author suggests that it is a probable that other variables mediate the relationship between job satisfaction and the act of quitting becomes definite.

Magner et al. (1996) argues that employees feel comfortable to stay longer, in positions where they are involved in some level of the decision-making process.

For example, Maertz and Campion noted "relatively less turnover research has focused specifically on how an employee decides to remain with an organization and what determines this attachment...retention processes should be studied along with quitting processes" (1998, p. 65). Steel, Griffeth, and Hom added "the fact is often overlooked, but the reasons people stay are not always the same as the reasons people leave" (2002, p. 152).

Despite the vast literature on employee turnover, which is aimed at identifying factors that cause employees to quit (e.g., Griffeth, Hom, & Gaertner, 2000), much less is known about the factors that compel employees to stay.

A great deal of turnover research focuses on people who leave, on the assumption that understanding why people depart will help organizations determine how to retain them. Of course, it is also valuable to understand why employees stay. Some studies have examined the ways in which employees become embedded in their jobs and their communities. Mitchell, T.R., Holtom, B.C., Lee, T.W., Sablinski, C.J., & Erez, M. 2001

In the same study on employee retention focused on the broad array of factors that influence a person's staying in a job termed as job-embeddedness construct by Mitchell et al in 2001.

Later, Lawler III (2005) stated that in these days organizations are competing for talent rather than counting employees loyalty. In this shift, organizations must utilize those practices which are in favor of both employees and employers leading them towards higher performance levels. It is important to recruit strategy driven and shrewd employees because it creates sense of alignment between employee and organizational values and goals.

Vos & Meganck (2009) indicated that career development plan for the employees play a vital role in the retention of employees. Providing these career development opportunities make employees stay and increase their loyalty towards organization.

In summary, a little research has examined employees' reasons for staying while testing these factors differ based on job performance or job level.

OBJECTIVES OF THE STUDY

- To study the factors that makes employee stay in the company
- To examine the impact of stay interviews making it a part of retention strategies
- To suggest some measures for effective stay interviews

METHODOLOGY AND SAMPLE DESIGN

For this study, Descriptive research design was adopted. Both primary and secondary sources of data are considered. Respondents were approached through online survey by administering a structured questionnaire for 100 among selected IT companies in Hyderabad. Each of the attribute in questionnaire was measured on 5 point scale. The data was analyzed with the help of SPSS 17. The tools used to analyze the data included Factor Analysis, Cranach's Alpha for testing the reliability of scales and Weighted average method.

The questionnaire consists of both open ended and closed ended questions. It consists of different parts. Part-A Demographic information, Part-B Reasons for employee stay in the organization, Part-C Stay interview expectations and its impact. Convenience sampling method was used to collect the data.

If employee is satisfied with any factor but looking to quit anyway, they were classified as "turned-on" by that factor, but "not locked in." Conversely, if individuals were "dissatisfied" by any of the attitude factors and not looking for another job, they were "turned off" by that factor or factors, plus they were "locked in." If an individual was "satisfied" with any factor and "not looking" to quit, then that factor, or factors, "turned on" but did not "lock in" that employee.

DATA ANALYSIS & RESULTS

Table 1: Demographic distribution / Profile of the respondents

	Variable	Percentage
Age	21-30	54
	30-40	25
	40- Above	21
Gender	Male	70
	Female	30
	Software Associates	40
	Sr. Software Associates	35
	Team Leads	25

The sample size was 100 employees from selected IT companies of Hyderabad. Out of this 40 percent were software engineers. 35 percent were senior software engineers; 25

percent were team leads. 70% of respondents are males and remaining 30% were females. Around 45 percent of employees belonged to the age group of 21 to 30 years and 25 percent of employees belonged to the age group of 30-40 and 21 percent belonged to the age group of 40 above.

The reliability for each of the scales was assessed by computing the coefficient of alpha (α). All coefficient of alpha(α) were found to be greater than 0.5 and therefore, were considered reliable and accepted (Nunnally, J., 1978). Table 2 gives a summarized view of a value for each of the scale.

Table 2: Cronbach's Alpha Values for Reliability Analysis

Parameters	Cronbach's Alpha
Reasons for employee staying	0.715
Influence of internal and external factors	0.783

FACTOR ANALYSIS- REASONS FOR EMPLOYEE LEAVING

Table 3: KMO and Factor Loading

Parameters	KMO	Factor Loading
Reasons for Employee Staying	0.651	63.025

The total variance shown in table.3 accounted for by all the 6 components explain nearly 63 percent of variability in the original variables. Varimax rotation was applied for these 15 variables. The variables were clubbed into 6 factors.

Table 4: Related Component Matrix

	Component					
	1	2	3	4	5	6
Company Performance	.332	.363	.346	.177	.007	.408
Recognition & Rewards	.017	.068	.675	.349	.198	.048
Career advancement	.054	.111	.789	.252	.050	.156
Attractive Compensation	.141	.810	.067	.050	.061	.045
Job Role & Designation	.034	.155	.030	.853	.108	.120
Economy	.719	.021	.088	.026	.212	.022
Flexible work practices	.289	.289	.232	.333	.338	.264
work life balance	.694	.180	.409	.010	.195	.002
Work Culture	.669	.238	.310	.013	.017	.091
Management practices	.123	.115	.010	.490	.517	.188
Job Security	.083	.732	.041	.203	.177	.025
Facilities	.267	.088	.095	.402	.125	.607
Family & Personal Reasons	.012	.246	.161	.042	.543	.292
Interpersonal Relationships	.038	.109	.036	.045	.800	.015
Training & Development	.061	.146	.002	.077	.005	.833

The rotated component matrix reveals 6 factors. The factors were named accordingly.

Factor 1: Includes variables like Management Practices, Flexible Work Practice, Work-life balance - **Organizational Culture**

Factor 2: Includes variables like Facilities, Company Performance, Interpersonal Relationships, Job Security – **Job Embeddedness**

Factor 3: Includes variables like Attractive Compensation, Job Role & Designation, Work Culture, Job Satisfaction. – **Job Fit**

Factor 4: Includes variables like Training and development, Career advancement, Recognition & Rewards–**Career Development**

Factor 5: Includes variables like Family and Personal reasons, Economy – **Externals**

INFLUENCE OF JOB AND ORGANIZATIONAL FACTORS ON EMPLOYEE STAY IN THE ORGANIZATION

To identify the factors influencing an employee to stay, a number of factors have been analyzed on the basis of mean scores. The opinion indicated as "strongly influenced" has been assigned a weight of 5, the opinion indicated as "influenced" has been assigned a weight of 4, the opinion indicated as "Moderately influenced" has been assigned a weight of 3, the opinion indicated as "weakly influenced" has been assigned a weight of 2, the opinion indicated as "Uninfluenced" has been assigned a weight of 1.

Table 5: Mean Scores regarding influence of job and organizational factors on employee retention

Parameter	Weighted Mean
Flexible work Practice	3.38
Training Opportunities	3.00
Facilities	3.48
Career Development	3.80
Rewards & Recognition	3.24
Company performance & Economy	4.25
Effective Work Life Balance	3.10
Attractive Compensation	4.45
Environment Openness & Trust	3.62
Management support to employees	3.30

Flexible Work Practice: The respondents stated that Flexible work practice (like work from home, flexible working hours, shift timings, remote login etc.) is influencing their stay. It is a key driver of stay factors impacting work life balance with a weighed mean of 3.38.

Training Opportunities: Most of the respondents feel (Mean 3.00) that training is an important factor in the IT industry where continuous up gradation of knowledge and learning new technologies is the need of the hour to stay abreast with global businesses and paradoxically, even to be competitive in job markets.

Facilities: Most of the respondents (Mean 3.48) stated that beyond internal factors and organizational issues, employees are inclined and attached to various facilities provided by the job and often unable to leave those comfort zones making them to stay with the company. Even facilities like cab, night shift dinners are determining their stay.

Career Development opportunities: The respondents stated (Mean 3.80) that provision of career development opportunities enhance individual career advancement there by job security and satisfaction promoting employee stay in spite of external opportunities in the job market.

Rewards and Recognition: The respondents revealed that (Mean 3.24) rewards and recognition strongly influence motivational aspects leading to employee participation and enduring effective performance.

Company performance and Economy: The respondents (Mean 4.25) opined that prevailing economic conditions often delude their job migration or any opportunities that come on their way forcing them rather to stay irrespective of their job satisfaction. So is the Company performance which is also directly aligned with the employee stay intention. It's a case of turn off with locked in.

Effective work life balance: Most of the respondents opined that (Mean 3.10) Work life balance influence job satisfaction, job involvement and quality of work life epitomizing their stay. It paves for job embeddedness which is more a turn on plus factor.

Attractive Compensation: The respondents stated that (Mean 4.45) attractive salary packages is the strong and adhering stay factor as it fosters a better social status, comparative advantage, comfort of living leading to joy of working for the company.

Environment Openness & Trust: The respondents feel that Environment openness and Trust (Mean 3.62) creates a conducive environment with fair and equal treatment, and a feel of belongingness prompting them to continue their stay with the company. It further makes them to act freely leading to high involvement and commitment.

Management Support to Employees: The respondents opined that (Mean 3.30) Management policies and practices for recognition of achievements, cooperation and promoted diversity influences employee stay. Supportive superiors allow employee to discuss job related issues and welcomed suggestions & feedback resulting in employee engagement.

FINDINGS

Baby care, Friday team lunch, dry-cleaning pickup and delivery, and other suggestions may seem to be trivial, but if these can help employees to manage their lives better, it enhances their chances to stick to job with the same employer. Many such interesting and insightful findings are observed during this study.

- No precise data is found showing the variations in attrition levels on gender basis. However, women employees prefer to stay longer with the company than men, for a moderate salary hike; provided the work environment is fitting.
- Predominantly, two factors internally: Job security and Pay scales and two factors externally: Job opportunities and Personal and reasons work as strong factors of stay.
 - Internal factors: Job security and Pay scales have the direct correlation between the employee's personal value system and management. The increasing gap between personal and organization values will diminish the desire to stay, whilst match between these two values supplement the Want to stay.
 - The external factors include perceptions of other Job opportunities and Personal reasons, influencing the employee stay like job embeddedness, where employees continue to stay inspite of a low job satisfaction, because they live close to work place or any other factors. They too implies on

employee stay or exit especially like job embeddedness where employees continue to stay in a low satisfaction job just because they live close to work place

- Surprisingly, employees though pleased and allied with many of the stay factors, choose to leave the company. These type of resources are often found in companies, referred as 'Stay on' by that factor, but 'unfastened'.
- Further, interestingly observed, employees can be recognized as one of the three types classified based on the combinations of external and internal factors in accord with employee job changes,
 - The unhappy category of employees stays due to some external reasons and is quite ready to quit at the first knock of opportunity. Originally, employees may not begin here, but the eventual fade of happiness leads to this stage.
 - The category of High salaried packages and designations, hold employees to stay back, despite their negative attitude towards their jobs. This group of '**stay off employees**' leads to hamper the overall departmental/ organizational productivity. Therefore, these are well qualified for desirable turnover.
 - The category of reasonably satisfied employees with their Work and Pay, stay with the organization seeks a long run relationship and employment, referred to as '**Stay-On Plus**'. But, any subtle drop in their job satisfaction levels, immediately doesn't lead to resignation. In this process of coexistence with organization, they slowly subsequently place themselves and turn into '**Stay-Off**', just in case if attitudes drop permanently. However, these tendencies driven group, doesn't lead to exit door, but results in strained and stressed employee relation issues
- A close observation recognises that the correlation between each stay factors that makes employee fit within the coordinates of "Need to stay Vs Wanting to stay".
- In general, the employees of these three categories remain to stay irrespective of personal, professional and peer reasons. They are mainly - **Want to, Want to Plus Need to and Don't Want to but Need to**. Nevertheless, these employees won't lead to exit doors and sum up in the turnover stat. Consequently, In short, Companies are losing many of its employees, while they are still in service with them. So it is why people stay, over why they leave also must be considered.

SUGGESTIONS

- Pareto Principle 80/20: Allow the employee 80% of the talking time and the leader 20% during stay interview
- Consider conducting the stay interview over coffee or lunch, for example, so employees are encouraged to speak more freely in a less formal setting
- The enigma of the complete process, leads to 'Want to stay versus Have to stay'? , where progressive managements should try to improve through stay interviews so as to reinforce positive reasons to stay with an organization
- It is highly recommended to have a set of retention strategies, which are more proactive in nature than reactive, long term plan over short sighted, and overall the focus should be on improving the employee retention, rather than just simply works to reduce turnover rates. The key aspect of the study is to suggest organizations to embrace this new culture by improving attitudes about the work, placing confidence in the management fairness, towards team cooperation, supervisor competence, consistency in treatment, performance feedback, career opportunities, and other positive aspects that, are related to the work life.

CONCLUSION

Let's not hold the best employee only to be heard for an exit interview. Make efforts to have an attitude to conversation a continual basis. It is equally good in listening to them and simultaneously assuring them that the organization shall work to resolve the issues within a time frame, shows that they are being cared, valued and belonged. Commendably, Stay interviews are the necessary part of retention strategy, as they not only offer an opportunity to engage the work force, but also facilitate a wider scope of optimizing the cost per hire and other recruitment metrics.

Stay-interviews are two pronged strategy, where employees get benefited along with employers, through voicing their concerns periodically. On a lighter vein, stay interviews may better be referred as Inner-view Interviews and can be undeniably, to stay here as part of the effective retention strategies for days to come.

SCOPE FOR FURTHER RESEARCH

The present study on "Stay Interviews – A missing facet of Employee Retention Strategy" is limited only to City of Hyderabad, as it can be further carried out in other IT hub cities of India. The similar pattern study can be carried out across the other industry sectors too, given with areas like Compensation, Job Security, Work Environment and other factors can be independently studied as a separate Stay factor, on a research basis to gain in-depth knowledge on the subject matter.

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