

Build the Perfect Exit Interview, Build a Better Workplace

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Done right, exit interviews can offer you a wealth of information on your staffing needs.

I know...you don't do exit interviews. Well, despite the escalating cost of employee turnover, most companies don't, the common excuses are:

- 1) I already know why people leave
- 2) People don't give honest answers
- 3) We don't have the time
- 4) I am not sure what to ask, or
- 5) Who needs them? The people are gone anyway.

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Chason Hecht
President, Retensa

None of these reasons equate to the tens, or even hundreds of thousands of dollars, a company can save on employee turnover, absenteeism, and productivity from performing exit interviews. Losing 1 employee can cost a company a minimum of 50% up to 300% of an employee's annual salary. So exit interviews, which cost \$30 to \$150 each, provide one of the highest Returns on Investment (ROI's) you can get from an employee program. Done right, you can gather new solutions to recruitment, management, orientation, as well as how to best meet the needs of the person filling their position. By constantly evaluating and renewing the workplace you'll decrease hiring and training costs, and reduce employee turnover.

Exit interviews are a formal set of questions asked of departing employees that serve as a barometer for the current work environment. The best information will be from soon-to-depart employees who feel comfortable expressing how they feel, and trust those they are speaking with to listen confidentially. Whoever administers the exit interview, they should query five (5) key areas:

1. **Reasons they joined/liked working there** (e.g. questions about salary, work environment, administration, what did they like most about their job, etc.).
2. **Reasons they are leaving** (same as above, plus management relationship and what they liked least).



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3. **Suggestions for future changes** (e.g. questions about training a replacement, challenges, improving communication, different reward system, etc.).
4. **Verifying the understanding between employer and employee** (e.g. concerning insurance, materials/supplies, confidentiality agreements, keys, etc.).

5. **Open Ended Opportunity.** Let employees be expressive, it provides closure. People don't quit a firm to play in the NFL. Ex-employees stay in the industry after leaving to be a potential client, vendor, partner, or competitor. In every case, it's a good investment to part on good terms. You can always use a strategic partner and you don't want to add emotional fuel to your competition.

Upon receiving the information, the provider should organize it into a format you can easily use to make real-world changes. Once several departures have provided similar responses, it is time to make a change. Implementing the change is where a company reaps the benefits of exit interviews. It shows your existing employees the company values their opinions and works to provide solutions. Exit interviews provide suggestions and propel change, and that gives the small business owner the feedback needed to move forward.

Finally, a word about outsourcing: During in-person interviews, especially with the boss, employees will dodge an honest response to keep a good reference. As a result, a company will not receive helpful insights on how to improve, and may be falsely led to believe their company has no areas to improve upon. For this reason anonymity in exit interviews is crucial. Outsourcing exit interviews ensures honesty and saves money. A good third party can get your employee to open up, which is much harder to achieve if conducted within the business.

Tips to get them talking

- 1) Make sure the interview is conducted in a quiet, comfortable location without distractions.
- 2) Thank the employee for their participation in the exit interview process. Let them know their opinions are important.
- 3) Start off with questions that aren't intimidating, (i.e. position, what they liked best, etc.) Starting with why they are leaving may put them on the defensive.
- 4) Do not judge, or defend, or empathize, just listen objectively. This isn't the company's time to explain themselves nor is it a time for you to try on dirty laundry.
- 5) Remember, if you're asking the right questions, you'll receive the necessary feedback, no matter how thorough the employee was.



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Understanding your People is what Our People Do.

Retensa is a leader and innovator of Employee Retention Strategies. They combine **experience** and web-based **technology** to develop, motivate, and retain a company's best employees. Retensa builds solutions and metrics to help firms reduce turnover and create a high-performing workforce.

To create the "*Retention Environment*," Retensa provides additional expertise in **Leadership Development**, Human Capital ROI, Mentoring, On-line Employee **Surveys**, On-line **Exit Interviews**, Executive Coaching, and **Succession Planning**. For more information about the results you can achieve visit www.retensa.com or call direct at 212.545.1280.

Is this a challenge at your Company? Give me a call:
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