

The Effectiveness of Exit Interviews in Reducing Employee Turnover

Robyn Johns

UTS

Abstract

Exit interviews are often considered to be a powerful tool for providing information to monitor and analyse employee turnover. The main objective of this study is to analyse the exit interview procedure adopted by a large professional publishing organisation and to assess its effectiveness as a management tool in reducing employee turnover. The results indicate that despite the accolades awarded to exit interviews they may not be as effective in practice as we have been lead to believe.

Introduction

Exit interviews are often considered to be a powerful tool by management, human resource practitioners and researchers to monitor and analyse employee turnover (Giacalone and Knouse, 1989; Gresing-Pophal, 1993; Zima 1983). The exit interview is a discussion between a representative of an organisation and an employee who is leaving the organisation – either voluntarily or involuntarily – or an employee who expresses a desire to leave (Zima 1983; Goodale, 1982). The main purpose of conducting an exit interview is to help identify and correct troubles within the organisation as well as evaluate the effectiveness of human resource practices and programs (Jackson, 2002). Troubles or situations that are often identified through the exit interview process are frequently linked with job dissatisfaction. Seen as the affective response to the evaluation of the job, the relationship between job dissatisfaction and employee turnover is well established; in fact it is one of the most frequently studied psychological variables (Mobley, Griffeth, Hand and Meglino, 1979; Mobley, Horner and Hollingsworth, 1978; Muchinsky and Tuttle, 1979). The general assumption is that through exit interviews human resource practitioners can discover what causes employee dissatisfaction, so that changes can be made and employee turnover can be reduced (Giacalone, Knouse and Montagiani, 1997).

Exit interviews are claimed to serve several functions, they are thought to: (1) identify the true reasons for voluntary terminations – push and pull factors, (2) persuade the employee to stay if the organisation desires, (3) acquire information that will help management identify problem areas and set up controls, (4) clarify charges or complaints against employees who are being separated involuntarily, (5) provide references, job leads, and outplacement counseling, (6) provide a means of clearing up housekeeping chores, and (7) retain the employees goodwill when he/she becomes an ex-employee (Goodale, 1982; Zima 1983).

Despite the accolades awarded to exit interviews, several studies have argued that they may not be as effective in practice as we have been lead to believe. The validity and reliability of the process has been questioned (Black 1970; Feinberg and Jeppeson, 2000; Giacalone et al, 1997; Zarandona and Camuso 1985). Whereas in theory, the exit interview produces responses that help an organisation identify and correct organisational problems, improve the work environment, and thus reduce employee turnover. The extent to which such responses are truthful and reliable is a mystery to practitioners and researchers alike (Zarandona and Camuso, 1985). Given the mystery surrounding the effectiveness of the information obtained at exit interviews, its usefulness in reducing employee turnover may well be counterproductive (Feinberg and Jeppeson 2000). Hence the reasons why some researchers consider exit interviews to be worthwhile, only from a public relations viewpoint, since a majority of people who voluntarily leave an organisation tend to keep the real reasons to themselves.

The purpose of this study is to describe and analyse the exit interview procedure adopted by a large, professional publishing organisation. By learning how and why exit interviews provide a means to evaluate the effectiveness of human resource practices and programs, we may gain greater insights into their effectiveness as a management tool for reducing employee turnover.

Methodology

A case study methodology (Yin, 1994) was adopted to provide an in-depth examination of the exit interview process at the Asia Pacific head office of one of the world's leading providers of integrated information solutions to business and professional customers. Located in Sydney, Australia, its workforce consists of approximately 700 full-time equivalent employees in five countries. This study formed part of an honours study that was conducted to examine the rational for voluntary employee turnover within the case organisation.

Qualitative research techniques (observation, archival evidence and interviews) were chosen to study the effectiveness of exit interviews as a management tool in reducing employee turnover. As a participant of the human resources department, unique opportunities were bestowed upon the researcher, such as the ability to gain unrestricted access to archival evidence. This access included, but was not limited to, personnel records and exit interview transcripts.

Participant observation also enabled the researcher to gain a rich, in-depth description of the organisation, its people and the functioning of the exit interview program (Schmitt and Klimoski, 1991).

Semi-structured face-to-face interviews were conducted with five female (N=5) and five male (N=5) terminating employees. The duration of the employee interviews was approximately one hour. Each of the employees who participated in the interviews had chosen to voluntarily terminate their employment. All had been employed in the publishing department as editorial staff for between one to five years and ranged in age from 27 to 34 years. Two (N=2) members of the human resource department were observed whilst they carried out the exit interviews of the 10 terminating employees. A semi-structured face-to-face interview was also conducted with each of the human resource personnel. The duration of the face-to-face interview was approximately one and half hours. Both were females' aged between 25 and 28 years with university qualifications and prior experience in corporate human resource departments.

The interviews assessed the beliefs and expectations of both the terminating employees and of the human resources personnel of the exit interview process. The interviews also provided insights regarding how participants perceived and dealt with the exit interview process. The knowledge and perceptions of both the human resource personnel and terminating employees' formed the basis of the study.

Field notes were taken as the researcher participated in the human resource department and followed the activities of the two of the human resource personnel. They were also taken during the interviews, recording interactions as they occurred. Because there was only one observer/interviewer, care was taken to record information verbatim in as much detail as circumstances allowed to insure reference to original data during the results and interpretation phase of the study. What's more, face-to-face discussions allowed for analysis of non-verbal body language. The open-ended nature of the observations, field notes, and interviews also allowed emerging data to be clarified and broadened.

The observations were as unobtrusive as possible, although the taking of field notes during the exit interview process was an obvious distraction at times to both the terminating employees' and the human resource personnel. Each participant was asked to give their informed consent. With this consent, confidentiality was guaranteed, and the participants were told they may cease the face-to-face interview or request the researcher to leave the actual exit interview at any time if they felt uncomfortable. All participants were advised of the purpose of the study.

Interviews were analysed using the constant comparative method. Small pieces of information from the participants were sorted into categories where ideas appeared to be similar (Strauss and Corbin, 1998). The interviews, field notes and archival evidence were all part of a triangulation process to confirm the data.

Overview of the Exit Interview Process at the Case Organisation

Upon being made aware of an employees' notice to terminate employment, an exit interview meeting is arranged by human resources. This meeting is generally scheduled for one hour in the final days of employment in a private meeting room. Prior to the exit interview the human resource representative conducting the meeting reviews historical documents contained on the employees file such as performance appraisals, memos etc. At the interview a combination of predetermined open- and closed-ended questions are asked allowing the employee to respond based upon his or her knowledge and experiences. As points of interest are raised the human resource representative digs deeper to get more specific details and to make sure she understands exactly what the employee is saying. The human resource representative attempts to listen and gather facts by asking them to share both positive and negative experiences. Meetings are almost always finished on a positive and uplifting note, and are always carried out by a member of the human resources department.

Summary of Findings

Interviews with the terminating employees tended to confirm previous research indicating that employees are reluctant to reveal their real reasons for leaving (Goodale, 1982; Zarandona and Camuso, 1985).

All of the employees interviewed essentially followed the general principle of making sure that they didn't burn any bridges behind them. One interviewee commented on how he was hoping for his manager to act as his referee and was therefore not about to make any comments that could put this in jeopardy. Another employee indicated that she may want to return to the organisation in the future so she was very cautious in what feedback she gave.

Many of the interviewees also expressed concern with the possibility of their comments impacting on their remaining co-workers. All employees' interviewed appeared to have forged strong co-worker relationships during their employment. The value of these relationships seemed to far outweigh the value of providing the organisation with information that may be used to as one female employee put it to "exact retribution".

Although many of the terminating employees were worried about disclosing information that could be used against their remaining co-workers or themselves, seven out of the ten employees' did consider the exit interview process to be an effective means to voice complaints and offer constructive criticism. The general sentiments were that they (the

terminating employee) were able to reveal a lot about the programs and policies that existed, and about the working environment than a remaining employee as they could speak more candidly.

This viewpoint was also shared by human resources, as they too commented on how the exit interview process allowed them to explore not only the employees' level of satisfaction with the job but also their level of satisfaction with policies and procedures. The general consensus was that the exit interview process provided human resources with a valuable opportunity to not only discuss and clarify an employee's overall level of satisfaction but to also find out the real reason/s behind their decision to terminate.

There was however a difference of opinion held by two male employees. These employees' did not believe that the exit interview process was an effective means to voice complaints or to offer constructive criticism. What's more they regarded the exit interview process as just another "useless" formality. One male employee who had been working with the organisation for just over four years and had during that time held a supervisory role was convinced that there was no real value in providing his opinion as he believed that human resources would just disregard his input anyway. He claimed he had never seen or heard of any of the exit interview information being put to use. He also commented that human resources just wanted to be seen as being proactive and caring, but it was just a facade.

Interestingly, the only element of the exit interview data that was being put to any use by the human resources department before being placed onto the employee's file was the primary and secondary reasons given by the employee for their termination. This data formed part of a monthly corporate report to the parent company in the U.S. When the human resource personnel were questioned at interview about the significance of the exit interview process, the general consensus was that the exit interview process helped identify problem areas in which they needed to concentrate their efforts.

Despite the perceived benefit of the information being collected, actual changes in organisational policies and/or work procedures as a direct result of the information obtained, was negligible. The reality was that a large amount of time and effort was being put into the administration of the exit interview process rather than analyzing the data. The underutilisation of the available data appeared to be largely due to a lack of understanding on how to best analyse, interpret, and present the available data to senior decision makers.

In summary the above qualitative observations provide moderate support for the effectiveness of exit interview process. Two factors primarily affected the achievement of a higher level of effectiveness, one, that there were response distortions due to the perceived acts of retribution, and two, the underutilisation of data gathered by human resources. Although there was some divergence in the perceptions of usefulness of the exit interview process, there was a general convergence among both the employees' and the human resource personnel as to the perceived effectiveness.

Discussion

Two major findings relating to the literature were developed during this study; response distortions due to the perceived act of retribution, and the underutilisation of data gathered by human resources. Nonetheless, it should be noted that this study only examined ten employees and two human resource personnel at one organisation, so the conclusions should be limited to that population.

Response distortions

Similar to the findings of Zarandona and Camuso (1985), the exit interview is subject to information distortion if an employee fears retribution. The present study found a number of factors that had an effect on the distortion of information. These factors included; the passing on of negative comments to a new employer, the opportunity for reemployment, and the protection of remaining co-workers.

The possibility of having to call upon the organisation to provide a reference is a reasonable explanation as to why a terminating employee may feel the need to tell untruths. Be it intentionally or unintentionally, one does not want to tarnish one's reputation. This is consistent with Giacalone and Duhon's (1991) findings that there is a real risk of terminating employees falsifying interview data to leave a positive image in the eyes of the interviewer. This creates a real obstruction to the effectiveness of the exit interview process as employees may refrain from speaking out if they fear any act of retribution from giving honest responses.

A similar obstruction to the effectiveness of the exit interview process was also seen by the employee who anticipated her possible need to return to the organisation in the future. This once again suggests that an employee may feel the need to falsify information to create a positive image. If an employee hopes to be reemployed at some stage with the original organisation, the exit interview could be used as a tactic by the employee to clear up any misconceptions, or to simply leave an impression that he or she is a good cooperative employee.

The fear that comments may impact on the work environment, work load or even the job security of remaining co-workers has been demonstrated by Giacalone and his colleagues (1989; and Duhon, 1991; and Knouse, 1989) to be a further cause of hesitation in the frankness and honesty of comments. This fear was also confirmed during the study, as all of the terminating employees who participated in the research brought this issue into view. Thus illustrating that the terminating employees' allegiance to his or her remaining co-workers is not something that should be overlooked when evaluating the validity of the information being provided at exit interview.

The distortion factors outlined above place a real question mark over the exit interviews effectiveness as a management tool in reducing employee turnover. Given that employees may distort information if they fear negative comments may be passed onto the new employer, that the information may impact on their opportunity for reemployment or that the information they provide may have negative impact on their remaining co-workers, it would appear that it becomes untrustworthy and thus confirms, as has been alleged in the literature (Feinberg and Jeppeson, 2000), that the exit interview process is flawed.

Underutilisation of information

The basic purpose for conducting an exit interview is to gather information. For this information to be an effective management tool in reducing employee turnover it must be analysed, interpreted and presented in a usable format. The requirement of the case organisation to report the reasons for termination to the parent company meant that the exit interview process was reasonably well designed and implemented. However any additional analysis or interpretation of the information was almost non-existent. Hence instead of using the wealth of additional information obtained through the exit interview process to identify problem areas and focus efforts, the information simply ended up being used as a file-filler.

No effort was made by the case organisation to compile trends in any formal way despite the perceived usage of collected information. This is consistent with Garretson and Teel's (1982) findings that the conducting of an exit interview for many organisations is a symbolic gesture and that little or no use is made of the information obtained. The analysis, interpretation, and presentation of information is therefore fundamental to the exit interview process if it is to be effective in reducing employee turnover. As any policy, intervention, or change that is made as a direct result of the information obtained from the exit interview process will more than likely be inefficient, ineffective, or at worst be counter productive in reducing employee turnover (Feinberg and Jeppeson, 2000).

Conclusion

A summary of the findings showed that the gathering of accurate and reliable information is the key to whether the exit interview process acts as an effective management tool in reducing employee turnover. Qualitative evidence indicated that the overall level of effectiveness was influenced by response distortions due to the perceived act of retribution, and the underutilisation of information gathered by human resources. The ineffectiveness of the exit interview process at the case organisation therefore lies fundamentally in the validity of its information and the underutilisation information gathered. If employees do not give accurate information in the exit interview, even if the information is fully utilised, attempts to reduce employee turnover based on the information will be somewhat ineffective as the decisions will be based on inaccurate and unreliable data which would ultimately lead to ineffective human resource practices.

The exit interview process at the case organisation therefore confirms with research that suggests that the exit interview process is not as effective in practice as we have been lead to believe (Black 1970; Feinberg and Jeppeson, 2000; Giacalone et al, 1997; Zarandona and Camuso 1985), and contradicts the research from other studies that claim the exit interview is an effective means to reduce employee turnover (Giacalone and Knouse, 1989; Gensing-Pophal, 1993; Zima 1983).

Bibliography

- Black, J.M. 1970, "The Exit Interview". in *How to Get Results from Interviewing*. McGraw-Hill, New York.
- Creswell, J. W. (1994). *Research design: Qualitative and quantitative approaches*. Thousand Oaks, CA: Sage Publications, Inc.
- Feinberg, R.A. and Jeppeson, N. 2000, "Validity of exit interviews in retailing", *Journal of Retailing and Consumer Services*, vol. 7, issue 3, pp. 123-5.
- Garretson, P. and Teel, K.S. 1982, "The exit interview: effective tool or meaningless gesture", *Personnel*, vol. 59, pp. 70-7.
- Giacalone, R.A. and Duhon, D. 1991, "Assessing intended employee behavior in exit interviews", *Journal of Psychology*, vol. 125, Issue. 1, pp. 83-90.
- Giacalone, R.A. and Knouse, S.B. 1989, "Farewell to Fruitless Exit Interviews", *Personnel*, vol 66, no. 9, pp. 60-3.
- Giacalone, R.A. and Knouse, S.B. and Montagliani, A. 1997, "Motivation for and Prevention of Honest Responding in Exit Interviews and Surveys", *The Journal of Psychology*, vol. 13, no. 4, pp. 439-48.
- Goodale, J.G. 1982, "Exit Interviewing". in *The Fine Art of Interviewing*, Prentice-Hall, Inc. USA.
- Gensing, L. 1990, "Don't Let Them Out the Door without an Exit Interview". *Management World*, Mar/Apr, vol, 19, no. 2, pp 11-13.
- Gensing-Pophal, L. 1993, "Exit Interviews as a Tool for examining Turnover", *Security Management*, vol. 37, issue. 6, pp. 20-21.
- Jackson, J. 2002, "Taking the Pulse of an Organisation", *Canadian HR Reporter*, vol. 16, no. 16 pp 6.
- Marshall, C., & Rossman, G. B. (1995). *Designing qualitative research* (2nd ed.). Thousand Oaks, CA: Sage Publications, Inc.
- Mobley, W.H., Griffeth, R.W. and Hand, H.H. and Meglino, B.M. 1979, "Review and Conceptual Analysis of the Employee Turnover Process", *Psychological Bulletin*, vol. 86, no. 3, pp.493-522.

- Mobley, W.H., Horner, S.O. and Hollingsworth, A.T. 1978, "An evaluation of precursors of hospital employee turnover", *Journal of Applied Psychology*, vol. 63, pp. 408-14.
- Muchinsky, P.M. and Tuttle, M.L. 1979, "Employee turnover: an empirical and methodological assessment", *Journal of Vocational Behaviour*, vol. 14, pp. 43-77.
- Schmitt, N.W. and Klimoski, R.J. 1991. *Research Methods on Human Resources Management*, South-Western Publishing Co. Ohio.
- Strauss, A., & Corbin, J. 1998, *Basics of qualitative research: Techniques and procedures for developing grounded theory* (2nd edition). Sage Publications, Inc.: USA.
- Yin, R.K. 1984, *Case Study Research – Design and Methods*. Sage Publications, Inc.: USA.
- Zarandona, J.L. & Camuso, M.A. 1985, "A Study Of Exit Interviews: Does the Last Word Count?", *Persomel*, vol. 62, no. 3, pp. 47-8.
- Zima, J.P. 1983, "The Exit Interview", in *Interviewing Key to Effective Management*, GMI Engineering and Management Institute, pp. 345-71.