DON'T JUST SAY GOODBYE; IT DOESN'T HAVE TO END THIS WAY: INVESTIGATING THE EXIT INTERVIEW PROCESS WITHIN AUSTRALIAN ORGANISATIONS

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Abstract

Exit interviews are often portrayed as a good way of identifying a variety of human resource related issues, ranging from undesirable turnover rates to poor supervision. This exploratory study aims to gauge the extent to which Australian organisations are utilizing exit interviews as well as determine HR practitioners' perceived usefulness of the exit interview process. The results indicate that while a majority of responding organisations carry out exit interviews and that HR practitioners' are aware of the benefits associated with the exit interview process, many struggle in analysing and utilizing the valuable knowledge and insights captured. It is hoped that through this study that the researchers can not only shed further insight into HR practitioners' perceptions of the exit interview process but also put forward valuable recommendations that can assist organisations and HR practitioners' in gathering and utilizing the knowledge and insights captured during the exit interview process in a more constructive and strategic manner.

Introduction

Within both the academic and professional literature it is often alleged that the opinions of departing employees can be used to improve the organisation they leave behind and help human resources address issues of voluntary labour turnover (Giacalone & Knouse, 1989; Grensing-Pophal, 1993; Grensing, 1990; Woods & Macaulay, 1987; Zima, 1983). Some of these issues, if consistent over time, are thought to provide valuable knowledge and insight for the formulation of human resource policy. They are also thought to help clarify possible concerns in organisational culture (Grensing, 1990).

This exploratory study aims to gauge the extent to which Australian organisations are utilizing exit interviews as well as determine HR practitioners' perceived usefulness of the exit interview process. To do this the paper will first review the available literature, it will then outline the methodology utilised for the study before going on to report the results and discussing the implications for the findings. The paper will conclude by putting forward recommendations that aim to assist HR practitioners' in utilizing the knowledge and insights captured during the exit interview process in a more constructive and strategic manner.

Exit Interviews

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 (Goodale, 1982; Zima, 1983). The exit interview is often considered to be a powerful tool by management, human resource practitioners and researchers to monitor and analyse levels of job satisfaction, commitment and intention to turnover (Giacalone & Knouse, 1989; Grensing-Pophal, 1993; Zima, 1983). The central purpose for 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 (Giacalone, Knouse, & Pollard, 1999; Jayne, 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 labour turnover is well established; in fact it is one of the most frequently studied psychological variables (Mobley, Griffeth, Hand, & Meglino, 1979; Mobley, Horner, & Hollingsworth, 1978; Muchinsky & 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 labour turnover can be reduced (Giacalone et al., 1989; Giacalone & Knouse, 1997; Greg, 2007).

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; Johns & Johnson, 2005; Zima, 1983).

Despite the accolades often awarded to exit interviews within the business and HR practitioner periodicals, several scholarly 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, 1982; Feinberg & Jeppeson, 2000; Giacalone et al., 1997; Johns et al., 2005; Woods & Macaulay, 1987; Zarandona & Camuso, 1985). While in theory, the exit interview produces responses that help HR practitioners identify and correct organisational problems, improve the work environment, and thus reduce voluntary labour turnover. In practice, the extent to which interviewees provide responses that are truthful and reliable is somewhat a mystery (Giacalone et al., 1989; Johns et al., 2005; Woods et al., 1987; Zarandona et al., 1985). In fact some scholars, such as Black (1970) 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 for their departure to themselves. Giacalone et al (1989) also cautions against making generalizations out of statistically insignificant data; however this is not a concern when the information gained is not being utilized. According to Giacalone et al (1989) the misuse and underutilization of data attained from exit interview is a common problem. Even if the information generated from exit interviews is being put to use, given the uncertainty surrounding the reliability of the information obtained at exit interview,

making changes to the workplace based on exit interview feedback with the intention of reducing labour turnover may well be counter productive (Feinberg et al., 2000). Notwithstanding these criticisms there still remains an overwhelming acceptance for exit interviews, especially within the practitioner literature.

Method
The research adopted a survey approach and also conducted semi-structured interviews to explore Australian HR practitioners' level of awareness and their perceived usefulness of the exit interview process in gauging job satisfaction, commitment and voluntary labour turnover. The snowball sampling technique was used to locate the participants. This technique is an effective convenience sampling method whereby each respondent assists the researcher to find the next subject (Salganik & Heckathorn, 2004). In this study the survey was forwarded to a primary sample population of ten Australian HR practitioners. The primary samples were than subsequently requested to circulate the survey among their HR network. Consequently the researchers had little control over the industries within which the respondents worked or where the respondents were located and while it offered the researchers convenience it nevertheless came at the risk of sample bias. Steps were however taken to reduce the likelihood of sample bias. Such steps included sourcing the primary sample population from a variety of employment settings and including both experienced and less experienced HR practitioners in the primary sample population.

Procedure
The researchers developed an electronic questionnaire that comprised of 34 questions that included both closed and open-ended text responses as well as Likert scales. The questionnaire consisted of three sections and took approximately fifteen minutes to complete. Section one captured general demographic information from the respondent, targeting areas including; age, gender, education, HR qualifications, length of work history, current position and salary level.

Information pertaining to the HR department within the organisation the respondent worked was captured in section two. It sought to clarify the industry in which the respondent was currently employed, the size of the organisation, as well as the origins of the parent company and the status of the HR department.

The third section was divided into two parts. The first part aimed to uncover factual information from the respondent concerning the exit interview process that is in place within their current organisation, whereas the second part called for respondent's to give their personal perspective on the process. This section was made up of a variety of question formats; open and closed ended questions, check boxes and Likert scales.

The questionnaire was sent via email and respondents could elect to return the completed survey via email or fax. Completed surveys that were returned via email were immediately detached from the responding email and saved without any identifying information to maintain confidentiality.

Limitations

Given the new respondents were attained based on the recommendation of the initial sample of HR practitioners an obvious drawback of the methodology used within this research is bias. While steps were taken to reduce the likelihood of sample bias the initial sample population may well have referred the questionnaire to people who may hold the same or similar views to themselves; hence limiting the generalisability of the findings.

Results
Responses were received from 57 HR practitioners. The results for section one provide for the following demographic picture. A majority of the respondents (84.2%) were less than 35 years of age and were female (70.2%). Many had a tertiary education (80.8%) and just over half (56%) had formal qualifications in Human Resource Management. 38.1% of respondents had between 3 to 7 years of experience as a HR practitioner, while 32.6% had less than 3 years and 29.3% had greater than 7 years experience. Although all respondents identified themselves as HR practitioners, a majority (47.8%) held specialist roles in areas such as recruitment and retention. 30.1% held general mid-level HR positions such as HR Advisor or HR Coordinator and 22.1% of respondents held senior HR positions, such as HR Manager level or above. 39.2% of respondents indicated that they had worked for their current employer for between 1 – 3 years, 26.9% had worked for their current employer for greater than 3 years and 33.3% had worked for their current employer for less than 1 year. The final question in section one asked respondents to indicate their current salary level, 71.9% of respondents indicated that they were earning somewhere between $50,000 to $100,000 Australian dollars annually and 14% indicated that they are earning greater than $100,000 and 8.8% are earning less than $50,000 annually. While 5.3% choose not respond.

Section two results reveal that 29.8% of the respondents are employed within the banking and finance industry, 17.5% are employed within the service industry, 15.8% are employed by professional service firms and 10.5% are employed within the building and construction industry. The remaining respondents were distributed across a variety of industries including innovation science and technology, retail, government, education and transport. A majority (57.9%) of the organisations for whom the respondents work, employ more than one thousand employees, 24.6% employ more than one hundred but less than one thousand and 17.6% employ less than 100 employees. Respondents also indicated that a majority (61.4%) of the organisations for whom they work are Australian owned and have a separate HR function (80.7%).

In the first part of section three, the results show that a majority (80.7%) of respondents work for organisations that currently conduct exit interviews, that only (52%) carry out these interviews for all departing employees and that participation in the exit interview process is voluntary (71.7%). Of those organisations that did not carry out exit interviews for all departing employees, 63.6% indicated that they only conducted an exit interview for employees who voluntarily terminated their employment and not for those employees who were involuntarily terminated or were made redundant. When asked who conducts or manages the exit interview process, 63.2% indicated that HR oversees the process while 21.1% indicated that exit interviews are carried out or managed by line mangers and a further 15.7% indicated that exit interviews are carried out or managed by either an

external agency or a senior manager. Respondents were also asked at what point in time is the exit interview conducted. 87.5% indicated that the exit interview was conducted on the final day of employment, while 7.5% conducted the exit interview post employment and 5% conducted the exit interview upon notification of resignation/termination.

In 90.5% of the face to face interviews conducted the questions were predetermined prior to the interview however only 37.8% of the respondent's organizations made their departing staff member aware of the questions they would be asked prior to the interview.

Respondents were also asked to indicate the average time spent conducting or completing the exit interview process, 53.3% indicated that it took between ten to thirty minutes, while 40% indicated it took between thirty minutes to one hour and 6.7% indicated that it took less than ten minutes. Respondents were than asked to specify what is done with the information gathered following the completion of the exit interview process. 60.9% indicated that the information was used for reporting purposes, 56.5% indicated it was discussed in management meetings, 47.8% placed a transcript on the employee's file and, 34.8% entered the information into the Human Resource Information System.

In the second part of section three respondents were asked to indicate their personal perspective of the exit interview process. The first question asked respondents to indicate how useful they considered the exit interview process at their organisation to be in gauging employee satisfaction. 61.5% indicated that it was extremely useful, 21.2% indicated it was useful while 11.5% indicated that it was useless and 5.8% were unsure. When asked to indicate how useful they considered the exit interview process at their organisation to be in gauging employee commitment, 53% indicated that it was extremely useful and 23.5% indicated it was useful while 17.6% indicated that it was useless and 5.9 were unsure. Respondents were then asked to indicate how useful the exit interview process at their organisation was in helping to reduce future labour turnover. 60.8% indicated that it was extremely useful, 19.6% indicated it was useful while 13.7% indicated that it was useless and 5.9 were unsure. When asked how useful respondents considered the information obtained at exit interview to be in assisting human resources to formulate policies and procedures, 70.6% indicated that it was extremely useful, 13.7% indicated it was useful while 9.8% indicated that it was useless and 5.9% were unsure. When asked how honest respondents considered employees are in answering questions and disclosing information at exit interview were, 66.7% indicated that employees are extremely honest, 23.5% indicated that they are somewhat honest while 5.9% indicated that they felt employees were dishonest and 3.9% were unsure.

The final four questions in the survey were open-ended, allowing respondents to tell what it was they considered to be important, and the ability to share more than just the facts. To begin with respondents were asked if their organisation could be doing anything differently to ensure that the exit interview process was attaining the most valuable information possible. 51.4% of respondents choose to answer the question and many of these respondents (41.2%) raised issues relating to process arrangements, a further 31.7% spoke of the need for their organisation to better utilize the information gathered and 21.2% discussed the need for the process to be more rigorous and systematic in its

approach. The next open-ended question asked respondents if they could report on any direct change to company policy or to a procedure that had resulted from the exit interview process. 53.9% of respondents choose to answer the question and of those 61.2% stated that they were unaware of any changes that had taken place as a direct result of the exit interview process. Of those who were able to identify a change 16.7% acknowledged modifications to remuneration and benefit schemes and an additional 16.3% identified changes to their recruitment, selection and retention polices and practices.

Respondents were than asked what they could be doing differently to ensure the information attained is utilised to its full capacity. 56.2% of respondents choose to answer the question and 53.7% of those who responded spoke of how they would be collocating and disseminating the information better and a further 15.1% stressed the need to build greater respect and buy-in from management. Additional comments included the need to make managers more accountable, the need for more resources and issues surrounding confidentiality. In the final open-ended question respondents were given the opportunity to share any additional information they considered relevant. 16.5% of respondents choose to provide additional feedback. The feedback given predominantly afforded praise and commitment on the exit interview process with the exception of a couple of respondents who stressed the need to not wait until an employee decides to leave the organisation before taking the time out to talk to them.

Discussion
While the HR practitioners participating in the study appeared on the surface to be well informed and to be largely working for organisations utilizing the exit interview process the present study does however call into question the extent to which the information generated is being collocated and disseminated. Although the findings may not be representative they are consistent with previous research findings (Woods & Macaulay 1987; Johns 2005) that indicate that exit interview data almost always ends up in the employee's file, where it is rarely put to any real use. Previous research findings are further supported by the current findings in that less than half of the respondents (33%) were able to identify any real changes that had taken place as a direct result of the exit interview process despite over half of the respondents claiming information was being used for reporting purposes and in management meetings. In fact one respondent commented:

> *"The information gathered is entered in the HRIS but not analysed or used to encourage change. There is very little value in the process and it is generally viewed as another form from HR to complete, and a useless exercise. Senior Management does not place much value on the data regardless"*

It should however be noted that just over half of the respondents (50.9%) had only been working as a Human Resource Professional for less than five years and one third (33.3%) of respondents surveyed had only been with their current organization for less than one year which potentially limits their insight into the exit interview process and the initiatives they would have been privy to implement. Additionally the vast majority (86%) of respondents were less than 35 years of age, which may explain the limited

exposure to the exit interview process, it could also be argued that this may also have detrimental affects on their ability to negotiate tangible improvements.

When asked "what would you do differently.....". Numerous respondents remarked that they would generate feedback reports and statistics, and discuss and share information within their own department and share information with management. For instance one respondent stated:

> *"We need to identify information that can be constructively utilised, as oposed to employees venting frustration upon exiting the organisation. From the information gathered, ensure that this is cascaded down to the appropriate managers and followed up with department heads"*

Despite the realization that information needed to be better utilized and disseminated many alluded to a lack of knowledge and understanding of how to best do this.

Comments were also made concerning the nature of the questions being asked with many indicating that they were not generating the necessary information from the exit interview process and therefore the information they were generating was neither helpful nor beneficial. While the nature of the questions may need to be reviewed the literature also points out that employees' may not be in the right frame of mind to be participating in a mature discussion and providing suggestions for improving the organization when they are about to walk out the door (Grensing, 1990). In fact Woods et al (1987) suggests that exit interviews should be completed prior to the employee's departure date to allow for a period of reconciliation, and to reserve the final day of work for "clearance" procedures and departure activities. This was not an outcome of their research nor was it finding in the current study. In fact a majority of respondents in the current study (87.5%) claimed that the exit interview was conducted on the final day of employment thus making it easy to confuse the process with last minute administrative functions and farewells. In fact the hastened execution of the exit interview process on the final day of employment has seen some researchers (Woods et al., 1987) suggest that the exit interview should be carried out post-employment to order to help prevent any rush and/or confusion and to improve the integrity of responses. Yet only (2.2%) of respondents in the current study worked in for an organization where follow up interviews were conducted.

Research by Woods et al. (2005) found that the responses given during exit interviews are often considerably different from those provided in interviews conducted a month after resignation. They found that employees tend to cite the general socially accepted responses such as improved salary and career opportunities for their reason for leaving at the time of exit interview. Employees fears of repercussions, not wanting to burn any bridges or receive unfavorable recommendations can affect the honesty of their responses at the time of departure (Johns and Johnson, 2005). Post-employment interviews are more likely to uncover issues relating to personality clashes and lack of respect for supervisor (Woods et al., 2005).

Even if the information generated from the exit interview process is being collocated and disseminated in an appropriate manner, to what extent do Australian HR practitioners

perceive the data to serve in gauging levels of job satisfaction, commitment and the voluntary labour turnover? While the literature (Black, 1982; Feinberg et al., 2000; Giacalone et al., 1997; Johns et al., 2005; Woods et al., 1987; Zarandona et al., 1985) questions the validity and reliability of exit interviews in providing responses, the present study found that Australian HR practitioners were not as pessimistic, in fact a majority (90.2%) of those who participated in the study indicated that they felt employees did provide honest responses. Many also indicated that the exit interview process was useful in gauging levels of job satisfaction (82.7%) and commitment (76.5%). A majority (80.4%) of respondents even indicated a strong degree of confidence in the ability of the exit interview process to gauge voluntary labour turnover. In fact one respondent commented that it allows HR "to gain information on why people leave the organisation and make changes to improve retention" another commented that "employees are more forthcoming because it is confidential and you can therefore stop turnover".

Although a majority of the Australian HR practitioners who participated in the survey perceived the exit interview process to be useful in gauging job satisfaction, commitment and voluntary labour turnover this study has revealed that despite a lot of time and effort being put into the exit interview process very little is being done when it comes to collocating and disseminating the information gathered. While Giacalone et al (1989) does caution against making generalizations out of statistically insignificant data, given that a good exit interview process is suppose to provide data that can be used to track trends and indicate potential weaknesses or strengths within the organisation, and that significant time and effort is being put into administering the process it does seem somewhat wasteful not to be collocating and disseminating the information gathered. Hence this paper will conclude by offering the following recommendations with the intention of assisting both organisations and HR practitioners' in gathering, collocating and disseminating the knowledge and insights captured during the exit interview process in a more constructive and strategic manner:

Recommendations

1. *Training* - human resource practitioners should be provided with suitable training to ensure they are able to not only elicit the appropriate information through the exit interview process but so that they are also capable of analysing and presenting the data generated through the exit interview process.
2. *Scheduling* - the exit interview should be completed prior to the final day of departure so as not to rush the process. Consideration should also be given to the utilization of post-departure interviews/questionnaires. Eliciting information post-departure allows an employee a chance to disconnect and reflect. It could also prove useful in attaining data that is arguable more valid and reliable.
3. *Time to reflect and think* - provide employees with a list of the questions to be asked prior to the interview. If employees are provided with the exit interview questions to contemplate prior it should allow them the time to reflect and think about the responses more rationally. This in turn should assist in stimulating a more in-depth discussion that can potentially pinpoint areas of improvement and thus enhance the validity and reliability of the data obtained.

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