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The HR Leader's Ultimate Guide to Exit Interviews

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Introduction

61% **According to a study conducted by the Society for Human Resource Management (SHRM), approximately 61% of organizations conduct exit interviews as part of their employee feedback processes.**

Exit interviews allow companies to gather feedback on the reasons why employees leave. Human resources teams can then use this information to decrease unwanted employee attrition in the future.

On average, it can take just over six weeks to fill a position. In some industries, it can take months. With all the hard work that goes into the recruitment process, it can be discouraging and disheartening to see team members go.

However, by listening to what departing employees have to say, your company can better manage employee turnover and retention. Use this to your advantage by implementing a successful exit interview strategy.

What Is An Exit Interview?

An exit interview is a conversation between an employer and a departing employee. The conversation takes place when the employee is leaving or has already left the company. During exit interviews, employers aim to understand why employees leave, what their experience was like, and how the business can make adjustments based on constructive feedback.

Over the course of the exit interview process, employers receive immediate and direct feedback about the employee's overall sentiment towards the company and leadership team. When utilized correctly, exit interviews can prove instrumental to employee retention and employee satisfaction.

Exit Survey vs. Exit Interview

Both exit interviews and surveys collect feedback from departing employees, but they differ in format and depth of information collected.

An exit interview is a real-time conversation that allows for personalized and in-depth feedback discussions, while an exit survey is a written questionnaire that streamlines employee feedback more efficiently.

To better understand the differences and similarities between exit interviews and exit surveys, consider this restaurant dining analogy.

Imagine you're dining out. A conversation with the restaurant manager or chef represents the exit interview. Before you leave the restaurant, they sit down with you to discuss your dining experience in detail. Over the course of this casual sit-down, the customer has the opportunity to provide dynamic, detailed feedback about their dining experience.

On the other hand, an exit survey is akin to leaving a comment card or feedback form when you leave the restaurant. In this scenario, you're presented with a set of questions that allow you to share your opinion in a more standardized manner. On your way out, you'd simply drop your feedback card into a box.

Both exit interviews and exit surveys serve the same purpose and share the same goal. Ideally, organizations will use a combination of both methods to gather comprehensive feedback and track historical employment trends.

Why are Exit Interviews Important?

As previously mentioned, the feedback collected during exit interviews can inform and guide future decision-making. This is even more important in industries that have trouble meeting benchmarks in their field.

For example, over the past few years, the manufacturing industry has struggled to keep a consistent workforce, with many hires leaving within the first 90 days and engagement levels as low as 25%. Manufacturing exit interviews are just one way to combat key challenges unique to your industry.

Organizations can make positive changes by listening to and addressing the concerns of employees who leave. These changes can lead to a happier and more committed workforce. Here are a few other reasons why exit interviews are important in any industry:

Identify patterns and trends

Analyzing the feedback collected from exit interviews allows organizations to identify patterns and trends among departing employees. This information can highlight recurring issues or areas of improvement that need to be addressed sooner than later. By recognizing these patterns, organizations can roll out targeted changes.

Improve organizational effectiveness

Exit interviews can boost overall effectiveness by shedding light on specific areas where businesses can make targeted improvements to their policies, procedures, training programs, and management practices.

Enhance employee engagement

Research cited in People Element's 2023 Engagement Trends Report, has found that employee engagement has a strong correlation with positive performance outcomes such as profitability, productivity, well-being, and retention. Additionally, it reduces negative factors like turnover, accidents, and absenteeism.

LOWER
43% Turnover
64% Accidents
81% Absenteeism

HIGHER
14% Productivity
18% Sales
68% Well-being

Exit interviews provide an opportunity to identify what led to the disengagement of departing employees. By addressing common pain points raised during exit interviews, you can make adjustments that will benefit current employees and in turn, improve overall engagement.

Legal compliance and risk mitigation

Exit interviews can serve as a formal process to discuss any legal or compliance-related matters, such as workplace harassment or discrimination. They provide a safe space for employees to express their concerns, giving organizations the opportunity to address potential risks and take appropriate actions to ensure a fair and inclusive work environment.

How to Boost Employee Participation in Exit Interviews

Exit interview participation rates can vary depending on numerous factors such as company size, industry, and the voluntary nature of the interview.

Research shows that over 90% of Fortune 500 companies use exit interviews as a regular part of their HR procedures. However, studies suggest that standard paper-and-pencil exit surveys have participation rates as low as 30% on average.

Employees may choose not to participate in exit interviews for various reasons. In order for exit interviews to be effective, employees need to be motivated to participate. Below is a list of common reasons employees choose to skip the exit interview, along with potential solutions.

90% 90% of Fortune 500 companies use exit interviews as a regular part of their HR procedures.
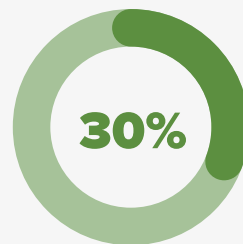
30% Studies suggest that standard paper-and-pencil exit surveys have participation rates as low as 30% on average.

Problem: They don't see the benefit

Employees who are leaving may feel apathetic towards the exit interview process. They may not see the point or benefit of having a final conversation before their departure.

Solution: Communicate the purpose clearly

Communicate the purpose of exit interviews to departing employees.

Explain how feedback will be utilized to implement positive changes within the organization. Additionally, ask questions that prompt specific and achievable responses, rather than solely discussing negative experiences.

Exit interviews are also mutually beneficial, so it's important to communicate the benefits of employee participation, too. Exit interviews benefit employees by:

- Giving them a safe space to voice their opinions
- Allowing them to reflect on their tenure at the company and highlight success and achievements
- Providing employees with an opportunity to maintain professional relationships
- Enabling them to demonstrate their professionalism and leave on a positive note

Problem: Fear of consequences

Employees may be hesitant to provide candid feedback during exit interviews because they're worried about potential negative consequences. They might think that their opinions could harm their professional reputation, job references, or relationships within the organization.

Solution: Ensure confidentiality and consider third-party interviewers

Assure employees that their responses will be kept confidential and separate from their employment records. This encourages honesty and helps alleviate concerns about repercussions.

If possible, offer the option for anonymous feedback. Anonymity can reduce fears of retaliation or negative consequences and encourage employees to share honest feedback more openly.

When conducting face-to-face or phone interviews, consider working with a neutral third-party exit interviewer who is not directly involved in the employee's day-to-day work. This creates a more comfortable and unbiased environment for sharing feedback for hesitant employees.

Problem: Time constraints

Time constraints associated with transitioning to a new job or personal commitments can contribute to employees declining exit interviews. They may prioritize other pressing tasks or simply wish to move forward without allocating additional time to the exit process.

Solution: Offer multiple exit interview formats

Provide flexibility by offering different exit interview formats, such as face-to-face interviews, phone or video calls, online surveys, or written questionnaires. This gives departing employees the ability to choose the method that is most comfortable and convenient for them.

Problem: Emotional disengagement

Employees who have already mentally disengaged (read: tapped out) from their role or company may display feelings of indifference towards the exit interview process. If they no longer feel a vested interest or emotional connection, they may struggle to recognize the relevance or purpose of sharing their feedback.

Solution: Offer supportive transition resources

Provide departing employees with resources and support during their transition. Offer assistance with job searching, networking, or references. Demonstrating support beyond the exit interview can help your company reconnect with departing employees on a professional and personal level. When you show them that you still care, they're more likely to act in kind.

Problem: Previous unsatisfactory experiences

A lack of trust in the confidentiality of exit interviews or doubts about the organization's receptiveness to feedback can hinder employee participation. This is especially true if employees have had negative exit interview experiences in the past.

Solution: Reinstate trust in the exit interview process

The first step in any exit interview is setting expectations. Start by asking them whether they've participated in exit interviews before. From here, guide a candid conversation about what their prior experience was like and how this experience will be different.

These simple, transparent conversations can help you better understand where they're coming from and how you can tailor the exit interview process in a way that makes them most comfortable.

Use this opportunity to share success stories or examples of positive outcomes that have resulted from past exit interviews. This can help employees understand the value of participation and see that their feedback can make a real difference.

How are Exit Interviews Conducted?

Exit interviews can be conducted in a variety of different formats. These formats vary based on the organization's preferences and the employee's availability. Here are a few ways human resources teams may choose to conduct exit interviews:

Face-to-Face Interviews

This is a traditional approach where a representative from the organization (typically a human resources manager) conducts a one-on-one interview with the departing employee. The interview can take place in a private office or a neutral location, allowing for a more interactive and in-depth conversation.

Phone Or Video Interviews

If the departing employee is unable to participate in a face-to-face interview, a phone or video call can be arranged. This method allows for real-time communication and enables the interviewer to ask follow-up questions and clarify responses.

Online Exit Surveys

Organizations may provide an online survey or questionnaire for departing employees to complete. These surveys can be accessed and submitted electronically, making them convenient and accessible. Online surveys often include a mix of multiple-choice questions, rating scales, and open-ended questions.

Written Questionnaires

In some cases, organizations provide departing employees with a printed or digital questionnaire to complete at their convenience. This allows employees to reflect on their experiences and provide written responses to specific questions.

Example Exit Interview Questions To Ask

During an exit interview, the organization may ask a range of questions covering various topics such as:

- The employee's reasons for leaving
- Their overall satisfaction with their job and the organization
- Their relationship with supervisors and colleagues
- Opportunities for growth and development
- Work-life balance
- Compensation and benefits

General questions

- What were your primary reasons for leaving the organization?
- Did you feel that your skills and talents were fully utilized in your role?
- How would you rate the overall employee experience during your time here?

Job satisfaction

- Were you satisfied with your job responsibilities and tasks?
- Did you receive sufficient training and support to perform your job effectively?
- Were you given opportunities for growth and advancement within the organization?

Management and leadership

- How would you rate the quality of communication and feedback from your immediate supervisor?
- Did your supervisor provide adequate guidance and support to help you succeed in your role?
- Were your ideas and suggestions valued and taken into consideration?

Team dynamics

- Did you feel a sense of camaraderie and teamwork within your department?
- Were you able to collaborate effectively with your colleagues?
- Did you receive recognition and appreciation for your contributions?

Organizational culture

- How would you describe the overall company culture?
- Were the organization's values effectively communicated and upheld?
- Did you feel aligned with the company's mission and vision?

Work-life balance

- Did you have a healthy work-life balance during your tenure?
- What specific factors or practices influenced your perception of work-life balance during your time here?
- Were you satisfied with the flexibility and support provided for personal needs?
- Were you able to effectively manage your personal and professional commitments while working here? If not, what were the main obstacles you faced?

Compensation and benefits

- Were you satisfied with your salary and benefits package?
- Did you feel that your compensation was fair compared to the market value?
- Were there any concerns or issues regarding payroll or benefits administration?

Feedback and recognition

- Did you receive regular feedback on your performance and areas for improvement?
- Were you recognized and appreciated for your accomplishments and contributions?
- Were performance evaluations conducted in a fair and transparent manner?

Exit process and transition

- How would you rate the overall exit process, including the handling of paperwork and procedures?
- Did you receive the necessary support during your transition out of the organization?
- Is there any additional feedback or suggestions you would like to provide?

Incorporate company values into questions

In addition to questions that cover a range of key themes, you should also ask questions specific to your organization, mission statement, and company values.

For example, Airbnb's mission statement is "Belong anywhere." This mantra encapsulates their vision of creating a world where people can feel a sense of belonging, regardless of their location. It emphasizes the company's focus on fostering connections, cultural exchange, and a more inclusive global community.

In this case, you might ask the employee about their sense of belonging during their tenure. This approach can provide you with a better understanding of how your company's core values are experienced in the workplace.
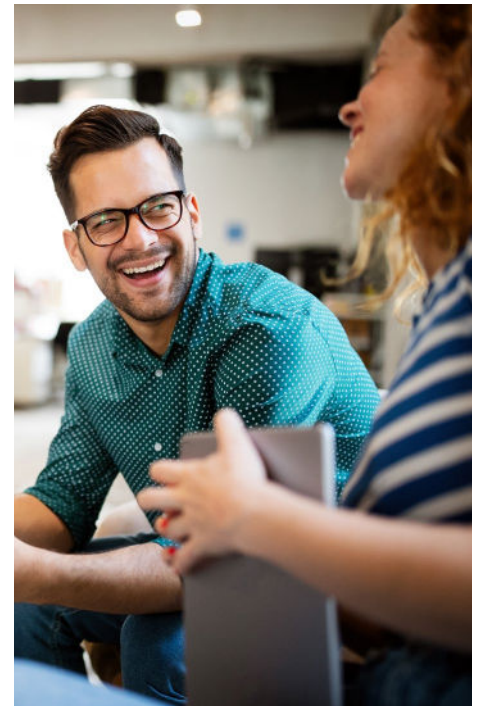
How employee engagement platforms streamline exit interviews

Companies can leverage employee engagement and employee experience technology to enhance the efficiency and effectiveness of exit interviews.

Survey tools

Human resource departments may choose to partially or wholly rely on survey tools to create and distribute online exit surveys or questionnaires. This allows departing employees to conveniently provide feedback at their own pace and preferred time.

Technology solutions make it easy to design, distribute, and analyze online employee surveys, saving time and resources compared to manual data collection.

Centralized data

Employee engagement platforms are also key for data collection. These platforms provide a centralized system for managing employee feedback, including exit interview data. They streamline the process and enable data aggregation for staff.

Robust reporting capabilities

Analytics and reporting tools built into employee experience solutions enable businesses to make the most of exit interview data by identifying trends and patterns within the collected feedback. This data-driven approach can reveal insights into common themes, highlight areas for improvement, and support evidence-based decision-making.

Diverse exit interview formats

Lastly, employee engagement platforms enable companies to execute exit interviews in diverse ways. For example, employers who want to provide employees with neutral, third-party interviewers and offline interviews can benefit from employee survey platforms with managed services.

How to Use Exit Interviews to Improve Onboarding

While exit interviews are typically conducted when employees are leaving the company, they can still provide valuable insights that contribute to improving employee performance. Here are some ways companies can utilize exit interviews to boost employee performance:

Strengthen the employee onboarding experience

First and foremost, exit interviews can help HR teams identify onboarding gaps.

Employees can provide insights into the relevance, clarity, and comprehensiveness of the training materials and support provided to them during their onboarding period. Additionally, they can offer feedback on the clarity and accessibility of documentation and processes encountered during onboarding.

Ultimately, this feedback can be used to fine-tune training programs for future hires.

Enhance management practices

Exit interviews can provide managers with a fresh perspective on their management style and the impact it has on their team members.

Receiving candid feedback from departing employees can help managers recognize blind spots in their managerial style or areas where their behavior may have negatively affected their team's morale or performance. This self-awareness is crucial for personal and professional growth.

It also helps human resources to:

- Hone in on areas where managers may require additional training, coaching, or development opportunities.
- Compare managers' performance over time or across different teams or departments.
- Uncover systemic issues with management teams that may be affecting multiple employees.

Refine performance evaluation processes

Insights gained from exit interviews can highlight shortcomings in the organization's performance evaluation systems. Feedback related to the fairness, transparency, and frequency of performance evaluations can inform the refinement of these processes, ensuring companies do better to recognize and reward employee contributions.

Track turnover patterns

Analyzing the reasons for employee departures helps identify trends and patterns in turnover. For example, if certain departments or positions consistently experience high turnover, organizations can take proactive measures to address underlying issues.

CASE STUDY

Outsourcing Exit Interviews at Health First Cut Turnover Costs by Over $1 Million - People Element

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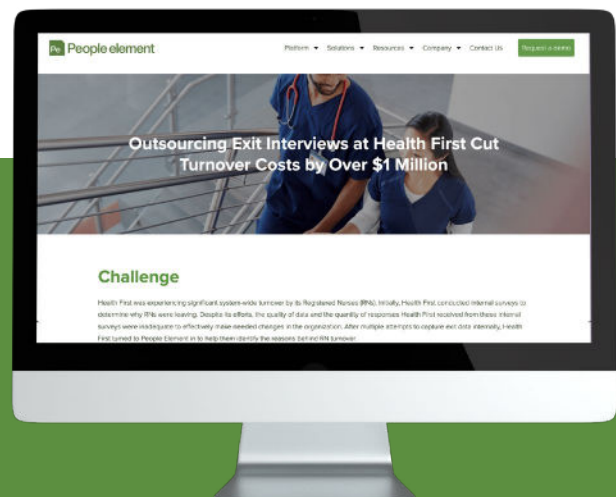
Improving Company Culture with Exit Interviews

4X
Higher Revenue Growth

Research conducted by the Harvard Business Review indicates that companies with a strong, positive culture experience 4 times higher revenue growth and up to 750% higher net income compared to those with weak cultures.

Furthermore, a Deloitte study found that 94% of executives and 88% of employees believe that a strong company culture is important for attracting and retaining top talent.

These statistics highlight the significant impact that company culture can have on organizational performance and success.

By acting upon the feedback from exit interviews, companies can implement targeted interventions, policies, and practices that support the desired cultural shift.

94%
Exectives

88%
Employees

Believe that a strong company culture is important for attracting and retaining top talent.

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Here are three key ways exit interviews can improve company culture:

Address cultural concerns

Through exit interviews, employees can express conflicts or situations where the culture did not support their needs or values. By addressing these concerns, organizations can work towards creating a culture that better aligns with their values and fosters a positive work environment.

Enhance employee engagement

Actively listening to departing employees' feedback and taking action demonstrates a commitment to employee engagement and a positive culture. When employees see that their feedback is valued and leads to tangible changes, it enhances their perception of the company and their engagement with its culture. This fosters a more positive and supportive work environment.

Communicate culture expectations

Exit interviews provide an opportunity to communicate and reinforce culture expectations to departing employees. By sharing insights into cultural aspects aligned with the organization's values and vision, companies ensure that departing employees leave with a clear understanding of the desired culture. This can positively influence their future interactions and may even foster advocacy for the company's culture elsewhere.

Leverage Exit Interviews to Rehire Former Staff

Exit interviews can be a valuable tool for evaluating potential rehires. According to exit interview data analyzed by the People Element team, over 50% of employees who left voluntarily said that they would likely consider returning to the organization. With this in mind, companies can leverage exit interview data to access the untapped potential of boomerang employees.

Former employees may be interested in returning to a previous company if the employer has improved in areas that were important to them.

For example, if a former employee cited "micromanagement" as a key reason for their departure, a department restructuring and/or general improvements in employee culture and communication could encourage them to come back.

50%

Over 50% of employees who left voluntarily said that they would likely consider returning to the organization

Benefits of hiring boomerang employees

There are several benefits of hiring former employees, particularly if they left on good terms. Here are a few reasons why you should consider hiring boomerang employees:

1. Familiarity with company culture

Boomerang employees are already familiar with the company's culture, values, and processes. Their prior experience means they require less time to acclimate to the work environment, reducing the onboarding and training period.

2. Proven track record

Hiring a boomerang employee allows the organization to bring back someone with a proven track record. Their past performance and contributions can serve as evidence of their capabilities and suitability for the role.

3. Quicker onboarding and productivity

Former employees can hit the ground running as they are already familiar with the job requirements and may need little to no time to get up to speed. As a result, they're able to start being productive quicker than a new hire who lacks tenure with the company.

4. Boost employee engagement & morale

When a former employee returns to the company, their previous and new colleagues may view the rehire as a sign that the organization values its employees and creates opportunities for growth and development.

Exit Interview Best Practices

To make the most of your exit interviews, here are a few exit interview best practices to keep in mind:

Keep it confidential

Ensure that departing employees feel comfortable sharing their honest feedback. Assure them that their responses will be kept confidential.

Conduct exit interviews in a timely manner

Schedule the exit interview as close to the employee's departure as possible while still allowing them time to reflect on their experiences. This helps capture their feedback while it's still fresh in their minds.

Have a structured process

Prepare a documented process to ensure consistency across exit interviews. Your documentation should include your question bank and step-by-step procedures. A consistent and structured process makes it easier to execute exit interviews and analyze responses.

Encourage honest and constructive feedback

Emphasize the importance of honest and constructive feedback. Assure employees that their input is valuable and will be used to improve the organization. Where possible, use specific examples to illustrate your point.

Take action

Your employees should trust your company to take your workforce data into action. Demonstrate that the organization takes exit interview feedback seriously by following up on key concerns or suggestions. Communicate any actions or changes that have been implemented as a result of the feedback received.

Continuously evaluate and improve

Regularly evaluate the effectiveness of the exit interview process and make improvements based on employee feedback. Consider analyzing participation rates and feedback trends to identify any underlying issues and address them proactively.

Exit Interview: Summary

Ultimately, the goal of conducting an exit interview is to help the organization improve its practices, address concerns, and boost company culture.

Conducting exit interviews with well-designed survey questions demonstrates your commitment to improvement.

However, it's important to remember that exit interviews are just one part of the bigger picture. Regular feedback from all employees and good communication are important too. It's all about making sure that everyone's voice is heard and that the company is always striving to be the best it can be.

Exit Interviews with People Element

We've been a leader in third-party exit interview surveys for decades and worked with countless organizations to better their workplaces. If you are interested in taking your exit strategy to the next level, consider partnering with People Element. Start with a short discovery call today and kick-start your path to better results.

Request a Discovery Call!