

Improve Retention Up to 50 Percent Because Post-Exit Interviews Get More Honest Answers

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Most corporate retention programs are driven by emotion rather than data. As a result, even though a data-driven “loss prevention” effort is common throughout the business, there is no one in the retention team who quantifies the percentage of turnover that could have been prevented.

Because so few measure it, you will probably be surprised to learn that research now shows that “about 50 percent of all voluntary turnover is preventable.” And think for a minute what your CEO’s reaction would be if they knew that up to 50 percent of the costs and the disruption associated with key turnover are unnecessary!

Well, as someone that has been creating retention solutions for over 20 years, I can tell you that turnover prevention has two major components: 1) identifying in advance which employees are likely to leave, and 2) identifying the real reasons why “regrettable employees” leave. And because identifying why people leave is much easier to implement, it should be addressed first.

You can't prevent turnover among your current employees unless you actually know which factors are causing them to leave. And that is problematic because the standard exit interview approach (that is practiced by 80 percent of firms) routinely produces inaccurate information that can steer you in the wrong direction. The primary flaw of standard exit interviews is that they occur on their final day when exiting employees most need a positive reference. And that fear of the negative consequences from being completely honest during exit interviews often causes departing employees to be less than frank (in fact, 40 percent of departing employees will give a false answer). But fortunately, there is a simple solution: delayed post-exit interviews. Their effectiveness is supported by data. For example, The Work Institute reveals that waiting as little as two weeks can change exit interview answers by a significant 40 percent. So, if you work in a corporation where preventable turnover is costing you millions every year, something as simple as postponing exit interviews for two to six weeks should be the first thing that you try.

Tips for Designing a Successful Post-Exit Interview Process

Fortunately, there is a superior alternative to standard exit interviews, which are known as post-exit interviews. They get their name because the exit interview is delayed until after the employee has exited. So if you want to maximize your opportunity to identify “the real causes of turnover,” here are some tips related to post-exit interviews to consider.

- **Wait at least two weeks** — waiting even two weeks to conduct exit interviews after an employee's departure can improve interview answers by as much as 40 percent. Some firms wait up to three months, but the timing should be based on data that reveals the point in time when the provided answers no longer change.
- **Use a telephone interview rather than a survey** — telephone post-exit interviews with a live interviewer get better results and higher response rates. Response rates using online surveys are almost 50 percent lower than when conducting exit interviews by phone.
- **Include a systematic process for taking action** — you can improve your response rates and the authenticity of your answers if you make sure that interviewees are aware that there is a formal process for taking action with the provided information. Research by Insightlink indicates that an organization will get more positive results if they have “a track record of taking action based on exit interview data.”
- **Focus their use on high-value turnover** — post-exit interviews provide the highest value when they are primarily used to identify the causes of turnover of high-value turnover. So if time or resources are an issue at your firm, you can limit the application of post-exit interviews to former employees who were high performers or who worked in critical jobs.
- **Consider using a vendor** — there are vendors who are experts in post-exit interviews (e.g. Insightlink). And data also reveals that when former employees realize that they are talking to a third-party, they are more likely to be honest.
- **Include both quantitative and qualitative questions** — using a mixed-method approach that includes both quantitative and qualitative questions will “significantly

improve the reliability of the data and provide more actionable evidence.”

- **When necessary, their results can be provided in an anonymous format**— if you find that there is continued resistance to being honest, even after a delay. Consider using a third-party vendor, because they can promise to provide this interviewee’s responses only in an anonymous format.
- **You can verify their added value** — if you conduct both regular exit interviews and post-exit interviews. You can easily compare the results between the two formats to see if and how much the responses from the post exit interview differ. And if they don’t differ significantly, there is less need for post-exit interviews. Intel for example once found that their departing employees were so frank and blunt that the answers that they provided didn’t change over time.

OMG Standard Interviews Have Numerous Problems

If you’re not fully aware of the many problems associated with the standard exit interview process, this section contains a comprehensive list of their major problems.

Despite all these problems, 80 percent of firms still use them in their traditional “last day format.” And unfortunately, not only will using them prevent you from finding “the real reasons” why employees are leaving, but you may spend millions on solutions that don’t directly address the actual causes of turnover.

- **Often they are not done at all because of time constraints** — many HR departments are so overworked that there is simply not enough time to conduct them. As a result, exit interviews are often missed, or they are not even attempted. Time is less of an issue with post-exit interviews because they are often done by vendors.
- **Many now simply refuse to participate in exit interviews** — many employees have learned to take the advice that they find on the Internet come and to simply refuse to participate in exit interviews. Practically and legally, firms can do little to force them to participate.
- **The need for a good reference dramatically limits honesty** — when an employee is departing a company, it is obviously a highly emotional and worrisome time. Highly emotional employees are extra fearful. Departing employees frequently withhold accurate answers in a conscious effort to increase their chances of receiving an immediate positive reference from their manager, HR, or the firm.
- **Employees assume that nothing will change** — departing employees know that nothing will likely change if they reveal problems during their interview because nothing changed when past departing employees spilled their guts. So even if they care about their current colleagues, they aren’t honest because they realize that their frankness won’t help other employees or new hires.
- **There is no systematic use of the interview data** — in many cases employee skepticism is accurate, because in most organizations there is no systematic way for applying the exit interview information that you receive. In many cases, the information is simply inserted into the exiting employee’s file to languish forever. In other cases,

however, it is fed back to the manager. But unfortunately, HR seldom requires managers to respond to the issues that are raised. And if the information is critical of them, there is no pressure for them to take any action.

- **Weak interviewers** — the interviewer is often so inexperienced and untrained, that they really don't know how to probe to find the real truth in an interview. As a result, you only get shallow information.
- **Weak effectiveness metrics** — the common success measure for exit interviews only covers whether they were completed. However, there are seldom any measures covering whether they were accurate.
- **There is little time for departing employees to reflect** — departing a company is a highly emotional time for the employee because exiting employees are under extreme pressure to prepare for their next job. And with little time to reflect, they might not yet actually know the “real primary reason” why they decided to leave.
- **Exit interviews may not be physically possible** — in firms that require that all exiting employees be “walked out,” it is often simply not possible to conduct an exit interview. Traditional exit interviews with remote employees can also be problematic.

Should You Still Do Regular Exit Interviews?

So with all of these problems, you may wonder if traditional exit interviews are even worth doing.

In my experience, the highest value add comes from converting the regular exit interview time slot to a process that is known as “offboarding.” And the primary goal of offboarding is to smooth any ruffled feathers so that the individual leaves happy, and as a result that they won't disparage the firm. The second goal of on boarding is to let an excellent departing employee know that if they want to return as a boomerang rehire, they would be welcomed back. And if you use post-exit interviews, it's a good idea to let the employee know on their last day that they will be asked to respond a few weeks later.

Follow-Up Action Steps to Consider

Don't stop with post exit interviews. After adding them, my next recommended approach is “shifting to a data-driven approach” to managing turnover. Only with the heavy use of data can you determine if your attempted solutions to turnover reduce the causes that you identified in your post exit interviews.

Other important action steps include quantifying the complete cost of turnover (which can exceed three times an employee salary) so that your executives pay more attention to it. Next, you should develop a process for identifying who is likely to leave, so there is enough time to develop a personalized plan to fix their problems. And finally prioritize your employees/jobs, so that you focus your “Stay Interviews” and other retention efforts on those employees who would create the highest negative business impact if they left.

Final Thoughts

As a practicing thought leader in retention, the most common question that I get is “What is the quickest and the highest impact action that a firm can take to improve retention?” And my answer is always the same, “Institute post-exit interviews, so you get more accurate insights into why employees are leaving.” They are my first recommendation because they are intuitive, low cost, easy to implement, and they produce spectacular results. And more importantly, they produce results in the most critical area — retention, which is “What are the real reasons why employees are leaving?”

If you found that this article stimulated your thinking and that it was actionable, please follow or connect with me on [LinkedIn](#)

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8 Things You Need to Fix to Increase Employee Retention

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Recently, the Department of Labor reported that turnover is now at its highest level since 2008. And yet, many companies are doing very little to combat this problem.

Why? Because a lot of executives don't realize the tremendous cost of turnover: (e.g. 2X salary costs times losing approximately 25% of their workforce each year). And, the cost of each employee who walks out the door is \$100,000 worth of product.

Clearly, it's a problem worth fixing. And yet, even though literally every business function and even most major HR functions have already shifted to businesslike data-based decision-making model, there is a shocking absence of hard data availability and use throughout the retention function. Without data to understand problem areas and plan ahead, it's no wonder retention efforts are failing.

How a lack of data hurts your retention efforts and what you should do

If you want to retain employees, it's time to lift the cloud of uncertainty and to shift to a businesslike data-driven decision-making approach to retention. No more decisions based solely on intuition, emotions, and gut feelings. What corporations need is a function where data provides the most revealing metrics and retention professionals use data to identify the most effective retention solutions.

Using data can help any retention effort identify what is and is not working. Some of the key turnover / retention problem areas that should be explored include:

1. The business costs of turnover are not quantified, so executive's pay less attention to turnover

Turnover reports generally only list broad turnover percentages (i.e. our turnover was 18% last year). However, if those turnover percentages are converted into dollars, executives are much more likely to understand the business impacts of turnover.

For instance, if an 18% turnover rate also means that there were over 100 vacancy days in sales positions (where obviously no sales could be made). And those vacancies resulted in \$2.6 million in lost sales, every executive would take notice.

Instead, every turnover should be converted into its dollar impact on organizational revenue. In addition to business impacts, the added costs related to high turnover should also be calculated. Those costs calculation should include: added recruiting costs, the doubling of new hire training costs, the cost of new-hires diluting the culture, stress on the team because they have to cover the vacant position and negative customer impacts as a result of the turnover.

Most executives also don't realize that there are also tremendous productivity costs associated with turnover because an employee who is considering leaving might consciously reduce their productivity and innovation for up to 6 months before their actual departure.

So because of all these factors, it's wise for retention leaders to work with the CFO's office to come up with a "standard cost of turnover, based on a multiple of the employee's salary (i.e. 1X to 5X the departed employee's salary). Once this multiple of salary is determined, it will be easy for executives and managers to instantly understand the real revenue impacts of turnover.

2. Bad managers are a top cause of employee turnover, but little is done to fix them

Many of the causes of turnover are at least partially controlled by an employee's manager. Gallup placed the blame squarely on the manager by making this phrase famous, "No one ever quits a company...they quit their manager!" Google research also found that managers... "Had a much greater impact on employees' performance... than any other factor."

However, despite knowing the significant impact that a good or weak manager can have on productivity and retention, I have found that most organizations completely ignore solutions that relate to identifying, fixing or firing weak managers. Many managers are not good at preventing turnover because they don't know its value and most have never been trained in retention.

3. Positions and employees are not prioritized for retention efforts

It's true that not all employees have the same probability of leaving, but it's also true that not all employees have an equal business impact when they do leave. As a result, retention efforts that cover "all employees" are a waste of any organizations limited time and resources. And by treating all employees equally for retention purposes, you increase the likelihood that you will lose many top performers that require more than an average effort in order to be retained.

So in order to maximize your impact, you must prioritize your retention efforts on employees and jobs with the highest impact. Generally, you should prioritize and focus resources on all individuals that are top performers or innovators, on employees working in key jobs, on employees that add high value (regardless of their job title), on exempt diverse employees and on employees that have turnover causes that can be easily overcome.

4. Common retention errors are repeated because best practices are not shared

Whenever I examine common retention mistakes across multiple companies, I find some consistent errors that could have been avoided. So it's important to increase consistency throughout the organization, and the best way to ensure consistent high-quality retention actions is by instituting a formal best practice sharing process.

An internal retention forum and best practice sharing website should be created. And to make it more effective, managers and HR professionals should be measured and rewarded for sharing retention problems and their effective solutions. Obviously, if a company also conducts failure analysis after each major turnover, their leaders will quickly learn which retention actions have a low or even a negative impact.

And finally, HR should work with your companies' customer and vendor retention teams to see if any of their best practices are transferable to the people management retention effort. The most common retention solution errors that I have identified include:

- An over-reliance on salary increases.
- Utilizing cash retention bonuses (project completion bonuses are better).
- Assuming that the same factors retain all employees (when top performers want dramatically different things).
- Assuming that a low turnover rate is always good.

- Improving benefits across the board (even though many benefits increases have little measurable impact on exempt employee retention).
- One study even found that offering employee development, without providing sufficient career opportunities, can actually increase turnover.

5. Most don't realize that key environmental factors cause fluctuations in turnover

In some cases, turnover rates will improve despite the fact that the company didn't take a single proactive action on retention. This is because turnover rates are impacted by numerous internal and external environmental factors.

For example, a company's turnover rate will historically increase due to internal factors, like major executives leaving the firm when there is a major scandal, when a salary/promotion freeze is in effect or when the company stock falters. External environmental factors also impact turnover rates, for example, whenever local unemployment rates decrease, a company's turnover rate will typically increase proportionately.

It's also true that hiring freezes and layoffs at your talent competitors will also significantly increase your retention rates (because they have stopped raiding you).

Unfortunately, few retention professionals fully understand this connection and so they sometimes take credit for improvements in retention that are no way connected to their actions. Obviously, it makes sense to monitor these internal and external factors and to determine how much each one historically impacts a company's turnover numbers.

6. There is no proof that the overall retention process works

Most retention leaders have no proof that their overall retention effort actually increases retention. So in addition to merely showing that the turnover rate has decreased (because sometimes that happens without any deliberate action), retention professionals need to be able to prove that their efforts are responsible for and actually caused those improvements in turnover.

One additional way to measure the effectiveness of the overall retention effort is to survey a sample of employees to see if their "intention to stay" has increased. But by far the most effective way of proving your overall program works is using a "split sample experiment," which is used throughout the business.

This is where you take, for example, half of a large sales group (because their output is already measured in dollars). And without ceremony, apply your retention tools to them (this group is called the experimental group). To the other half of the sales group, you say nothing and change nothing. If over time the retention rates, the productivity and the cost of turnover are superior in your experimental group (compared to the control group) you can be confident that your efforts caused the improvement in retention.

7. There is no blocking mechanism to make it more difficult for recruiters to poach

It is certainly true that some percentage of your employees will decide to leave on their own, without any prodding from an external recruiter. But when you focus on top performers and innovators, you should assume that they are being continually contacted and urged by an external recruiter to leave.

You can find out if recruiter raiding is an issue by simply surveying your employees to ask them how often they are contacted by external recruiters. It should also be a part of the post-exit interview to ask former employees how much the actions of external recruiters influenced their decision to begin looking and to leave.

If your firm has a strong employer or product brand, you can automatically assume that you are being raided continuously. Unfortunately, few companies have a formal “blocking process” that makes it more difficult for external recruiters to contact and successfully sell your employees. One of the most effective approaches is to give a \$25 Starbucks or gas card for any employee in a targeted group that takes notes during one of their external recruiter contacts and then shares them with your retention function.

It is valuable information if you know: companies that are raiding, what arguments they are making to convince an employee to leave and what their offers contain. With this competitive intelligence, the retention function can then proactively utilize this information to develop a plan to counter future external poaching efforts.

8. Often no one is held accountable for retention results

It's obvious that many organizations don't take retention seriously because they have no formal retention function and no senior HR person has the full-time responsibility for retention results.

In some organizations, employee retention is so informal that it is just one more added job assignment for an HR person. In addition, individual managers and recruiters are seldom measured or rewarded for producing great retention results, so they pay little attention to it. If you want retention to improve, you need executives, recruiters, generalists and managers to continually talk about it, and to have it as part of their performance appraisal and/or their bonus formula.

Now, these aren't the only retention problem areas and you can [read about more here](#). My final advice? Learn from the lessons in these articles and then talk to your corporation's *customer* retention team. They are way ahead of employee retention efforts and you can learn from them how to quantify your impacts, and how to develop a scientific, systematic and data-driven approach to retention.

*Image from [Death to the Stock Photo](#)

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