

# A good exit interview

What companies can learn from terminated employees **Interviewed by Dale W. Hlaves**

**I**f you don't take the opportunity to do an exit interview when an employee gives his or her two-week notice, you're missing a golden opportunity from which you — and your company — could benefit.

"Never underestimate what you can learn from departing employees," says Rob Wilson, president of Employco Group. "You can use the exit interview to find out exactly why an employee is leaving and at the same time improve the structure of your organization."

*Smart Business* spoke with Wilson about the importance of exit interviews and how to take advantage of the information garnered from outgoing employees.

## What benefits does an exit interview provide?

Many. By uncovering why an employee is leaving your organization, you may ascertain shortfalls in training, identify compensation issues and learn about a perceived or real lack of career advancement opportunities.

For example, if someone says he is leaving for more money and you find out the position is a lateral move, you might discover that your salary structure is no longer competitive in the marketplace. Organizations often fail to review salaries within the marketplace but rather just give employees 3 percent or 5 percent annual raises. What might happen is that the market catches up to them and certain types of jobs are now in greater demand and dictate salary levels higher than those that your company is paying. This becomes a serious problem.

## What if it's not a dollars and cents problem?

It could be a benefits issue. The exit interview gives you the opportunity to review your benefit plan in respect to your competitors' plans. With health care costs on the rise, insurance benefits have become almost as important as compensation. Does your organization offer medical, dental or vision insurance? How about 401(k) to help employees plan for retirement? Benefits can be more than just health care and vary depending upon the



**Rob Wilson**  
President  
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industry. You may also offer flextime to accommodate staff with outside responsibilities. All this can be learned from an effective exit interview.

## If it's not for money and it's not for benefits, maybe it's a lack of career advancement opportunities. How can you remedy that?

Through the exit interview process, if you find good employees leaving for growth reasons, then you may need to review your company structure. Practice promoting from within versus hiring outside, communicate open job opportunities to the staff and encourage them to apply.

## What if you uncover the turnover is specific to one position or department? Should you use information from the exit interview to evaluate your management team?

Absolutely. It's an uncomfortable move, but even staff at the management level need to be evaluated, just like any other position. It may be counterproductive to spend time and money losing and rehiring good employees if the actual problem lies

in the supervisor or management style. You can remedy the situation by sending him or her to training courses for effective management or ultimately determine that a career change is needed for the supervisor.

## Should an exit interview still be conducted if you are the one terminating an employee?

A lot depends on the type of termination. You're not going to sit down with someone who has been terminated because of misconduct. However, when you let someone go, it typically doesn't happen overnight. You should still take every opportunity you have to assess the situation and use the information to your advantage to find ways to improve your organization.

## Who should conduct the exit interview?

In most cases, it should be a designated third party, such as a human resources representative. A formalized exit process should include a checklist that covers a wide range of subjects to determine where changes may need to occur in the workplace. For example, you may ask about what was satisfying or dissatisfying about the job, thoughts on training, obstacles in the position and/or company, satisfaction with management style, etc.

Some terminations end well, but some do not. There is always a reason that an employee is leaving and, hopefully, an unbiased third party would reveal the most honest answers.

## Are there other bits of information that might benefit your company?

Sometimes, it's an opportunity to learn more about your competition. You'd be surprised to find out that employees who are leaving your company to go elsewhere will tell you quite a bit about where they're going, what they'll be doing there and what products they'll be working with, providing you with an extra peek at your competition. <<

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