

Employee feedback and exit interviews

If hiring the right people is costly, time-consuming and difficult, then keeping them is critical, and probably one of the most important issues facing organizations today. It is no wonder that, from the boardroom to the first-line supervisor, companies are wrestling with what they can do to retain talent.

What is the answer? Nothing less than a complete system of employee communication tools can serve to enhance an organization's ability to retain its top talent. Without such a system, an organization will wallow in the mediocre, competing with, and frequently losing to, other organizations in the ongoing war for talent.

Current research confirms that it is generally not pay, benefits, or dissatisfaction with the job that prompts good employees to leave. In fact, according to the Corporate Leadership Council (www.clcinteractive.com), the vast majority (67 percent) of employees who intend to leave their organizations are satisfied with their jobs. Rather, employees most often leave because they feel they are not valued. And, the majority of employees who feel this way say it is demonstrated by the fact that management fails to either solicit or listen to their opinions.

Marcus Buckingham and Curt Coffman make this point in their book, *First Break All the Rules* (Simon & Schuster, 1999), when they suggest that people don't leave organizations, they leave managers. Jack Martin, vice president, human resources, for Land O' Lakes, Inc., agrees. "In my experience, the single most important attribute to the retention of high-potential employees is the quality of the manager," says Martin. What can an organization with an existing management team in place do to increase the probability that it will retain its talent? Martin, who has been in the human resources field for over 20 years, says that the best employers always use a number of employee feedback systems to keep a handle on the pulse of the organization.

What are the best practices and how can they assist managers in retaining talent? Betsy Buckley, a noted speaker on effective communication and president of What-Matters, says, "The fundamental principle of communication is that it be two-way; unfortunately, most employee communication programs are one-way and are, therefore, more likely to fail. Any system must incorporate two-way communication." In addition to an effective system being two ways, Buckley says, "the 'system' itself must be a series of internal communication initiatives that, together, are integrated into the fabric of the organization."

Such systems typically involve a variety of integrated components, such as periodic, structured employee surveys, ongoing employee feedback that includes such things as management broadcasts, pulse surveys, exit interviews, and post termination surveys. The reality is that any single system used independently will not produce positive results. However, taken together, they not only send a strong message that employee feedback is desired and encouraged, but they also generate incredibly valuable information with which to more effectively run the company. The critical factor is that management must actually use this information.

A brief overview of each of the component tools can help to pinpoint how they can be coordinated for maximum benefit.

Employee Surveys

For decades, organizations have collected employee feedback through periodic surveys. Many employees are cynical about these efforts, because for the most part, little if anything is ever done with the information. In fact, employees are so distrustful that they often think that the questionnaires have been coded so that their responses can be traced. Typically, the results also are not available for months, so that when the results are published, there is often little or no connection between the findings and management's subsequent actions. At the extreme, so much time elapses between the data collection and the analysis that the results are no longer reliable. Nonetheless, structured surveys of employees' opinions can give management an important, big-picture idea of what the main issues are, and the results can set the framework for ongoing feedback efforts.

What's important is how the information gleaned from an employee survey is used as part of an overall outreach effort. An experience at American Express Financial Advisors is a good case in point. Not long ago, the company's management was taken by surprise by the low scores received on an annual employee survey about the company's career management initiatives. Employees felt not enough attention was being paid to this much-needed activity, especially at a time when the company was going through significant change. Consequently, from the top of the organization on down, management made a very strong and visible effort to strengthen the support available to employees in the area of career management. Not surprisingly, the scores on subsequent surveys improved dramatically.

Ongoing Feedback

Probably the most neglected component of an effective employee communication system is one that provides ongoing feedback from the front lines. Karen Gustafson, former director of employee communications for The Pillsbury Company, whose employee-feedback system won an Optimas Award in 1998 from WORKFORCE, describes the benefits of such a system. "Obtaining ongoing feedback from employees ensures that there are no misunderstandings between what is in the hearts and minds of employees and what management believes is in the hearts and minds of employees," says Gustafson. "Senior management is somewhat isolated because they analyze and plan organizational changes long before the changes are presented to the troops. A system that provides real-time feedback to management provides a reality check," continues Gustafson.

In designing such a system, it is important that it be easy and safe for employees to use. Not doing so is a mistake that many organizations make. One example of an easy and safe feedback system consists of providing employees with an easy-to-remember, toll-free number they can dial up at any time, once connected to the system, they are instructed to record a message for their organization's management. Within one business day, a verbatim copy of their message is on management's desk. Employees also have the option of leaving their names and requesting a response, an option that about one-third of callers use. This system can be paired with management broadcasts, in which senior management records a message on the toll-free number that employees can listen and respond to, and pulse surveys, where questions are recorded for employees to answer. Organizations can receive a written monthly report highlighting the trends in this feedback and comments on the content and tone of the calls, as well as recommendations about how management can respond to the feedback. Without

management's response, this easy and safe tool loses its effectiveness.

Exit Interviews

A third important component of an effective employee communication system is a consistently monitored exit interview process and post-termination survey. The objective of the exit interview and survey process is not only to identify feedback from departing employees that can be used to make the organization more effective, but also to demonstrate those employees' opinions are valued. At most organizations, the exit interview and survey are administered through a formal, written survey that is simply handed or sent to departing employees. Alternatively, an open-ended, face-to-face discussion between the departing employee and his/her manager or a human resource person, or a combination of both formats takes place. Unfortunately, the response rates of traditional exit interviews are exceptionally low, particularly with the mailed format, and yield sanitized, or nearly useless information.

There are many examples of the valuable information an organization can acquire as a result of conducting these interviews, information that can help in the retention of talented employees. For example, a neutral third-party specialist recently conducted a series of exit interviews for a large employer that wanted to know why so many IT employees were leaving. The results of more than 400 telephone interviews showed that people were leaving because they did not believe their work was valued. They were doing more with less, and management did not seem to care. It wasn't the money, benefits, working conditions, or the work itself; it was the fact that management seemed unmoved by their hard work, increased productivity, and technological talent. Yet they acknowledged that the organization purported to value those things. The interview itself would not have retained those individuals, but knowing what they believed helped management take steps to value the efforts of the remaining staff.

Unfortunately, exit interviews and post termination surveys are generally an afterthought on the part of many organizations. The task of conducting them is usually given to someone who already has a full-time job; as a result, the data are collected inconsistently. More frequently, the back end of the process is not in place, so there is no automatic way to process the information or use it effectively. The reality is that, in many cases, employees who are leaving do not want to burn bridges, so they are unlikely to provide candid feedback because their responses might be attributed to them. Instead, they either won't respond or choose not to be honest.

However, when exit interviews are done consistently and allow for anonymity, and when the organization actually uses the information it receives, another link in the employee feedback loop is provided. Employees begin to feel that management values their opinions.

Making It Work

How can an organization ensure that it receives open, honest feedback from employees, both while they are working and when they leave? A simple, yet effective method has probably already been used for other human resource tasks: outsource

it. The work can be completed consistently, in a timely manner, and less expensively to the organization.

The bottom line? An integrated employee communication program will serve both recruiting and retention. First, the program makes a powerful statement about an organization's commitment to its employees. This allows potential employees to know right away, even during initial interviews, that the company has in place a series of initiatives place that encourages every employee to provide feedback to management, including sending a message directly to the CEO. Second, an integrated system offers great versatility when it comes to demonstrating to employees that their concerns, opinions, and ideas are being reviewed and acted upon. Management can choose from a variety of ways to convince employees that they genuinely are listening, and most important, are responding.

Third, experience suggests that approximately 70 percent of the information received from such feedback identifies improvements that can benefit an organization. These include streamlined processes, new product ideas, suggestions for improved productivity, and ways to enhance management effectiveness.

Engaged talent is a company's prime source for creating and maintaining a competitive advantage. Any company seeking to exploit this competitive advantage must instill in its management a mind-set that they not only value employees, but also encourage them to share their opinions. As Buckingham and Coffman conclude, it is only with engaged employees that an organization can have loyal customers, sustainable growth, increased profitability, and enhanced shareholder value.

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