

## Exit Interviews: A Tool to Enhance Retention Strategies

## Assessing Where You Are and Determining What Needs to Be Done

### Exit Interviews Provide ROI

- Average employee replacement costs are 1 to 1½ times their salary
- At an average annual salary of \$50,000, the loss of 100 employees = \$5,000,000
- The average cost for an Exit Interview study is \$25,000
- If only one person is retained using knowledge gained from the Exit Interview findings, the dollars spent to dollars saved ratio = \$25,000 to \$50,000; a net savings of \$25,000
- If 5% of those exiting are 'saved' using knowledge gained from the Exit Interview findings, there is a 100+ to 1 return on investment (invest \$25,000 and save \$250,000)

#### FOR MORE INFORMATION CONTACT:

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### Why Is Employee Retention Important?

Employee Retention is vitally important in sustaining an effective workforce as well as being cost effective to a company's bottom line.

Well trained, experienced employees are the foundation to any workforce. Employee turnover costs companies thousands of dollars in lost productivity, replacement costs in the hiring, and training of new employees. Reduced levels of customer service within services industries can also be an outcome. Often, employees leave with years of knowledge and experience that simply can't be easily replaced overnight. Additionally, morale suffers when the workforce lacks stability and continuity, which may in turn cause more exits.

### Why Conduct Exit Interviews?

Performing Exit Interviews allow the company to:

- Identify negative influencers of turnover including job factors, company practices, programs, policies, and relationships.
- Pinpoint specific issues or events contributing to turnover/retention
- Identify drivers of employee retention
- Identify areas for improvement of retention
- Track trends over time
- Provide sufficient information and insight to create solutions around issues identified through the Exit Interview process

### Why Use an Outside Firm?

Often, there is lack of correlation between the reasons given for leaving in a pre-separation interview and a follow up Exit Interview.

- An employee would not want to "burn a bridge" when transitioning to a new employer; therefore, they may be unwilling to share their true reasons for leaving.
- It can be more comfortable for a former employee to answer questions asked by a neutral party without the need for impression management.

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- A single employee would feel less anxiety knowing that individual comments will be grouped with others in similar jobs/positions, so that their responses could not be identified.
- Because of the time lapse between the employee's exit and the interview, a more objective, less emotional response is likely to be obtained than when the interview is conducted under possibly strained conditions.

The use of an outside firm like Burke as a neutral third party bridges the gap between these disparate reasons.

### What Questions Are Typically Included?

- Reason(s) for leaving
- Current employment status/ Information on current job/ Salary differential
- Method used to find a new job
- Influencers in accepting new position
- Most liked aspect of their former job
- Biggest challenges of their former job
- Suggestions for improvement
- Manager-related questions
- Diversity and inclusion-related questions
- Obstacles for success in former position
- Circumstances under which they would return
- Closed-ended question which are key to:
  - Track and monitor trends over time
  - Compare perceptions of exited employees with current employees

### How Are Exit Interviews Best Conducted?

Exit interviews can be conducted over the phone using Burke's outbound phone center. On-line interviews are available as well. While the phone interview often provides more in-depth information via follow-up questions to probe responses, on-line interviews offer a fast, efficient, lower-cost alternative.

Burke works with each client in collaboration to create a customized Exit Interview program that best meets organization needs.

By fully understanding the reasons employees exit, an organization is better able to address issues and increase retention, keeping staffing costs down and ensuring optimal workforce coverage and performance.

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