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Exit Interviews Urged for Small Business

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NEW YORK - One of your employees just announced she's leaving. What do you do? A wise small business owner will conduct an exit interview, to try to learn all the reasons for the employee's departure. And, in the case of valued workers, they'll also have what's known as a stay interview, to see if there's a way to keep these staffers on.

The information gleaned from an exit interview can be as valuable as complaints from a customer - it can help business owners discover and correct some of the weaknesses in their companies. So sitting down to talk with a departing employee should be a matter of course.

"It is part of working on your business," said [Beverly Kaye](#), an employee retention consultant in Sherman Oaks, Calif.

Consultants say many company owners assume that workers are leaving for more money or better opportunities. But the question "Why are you leaving?" often reveals there are other issues - workloads, schedules, personality problems.

"When you find out those things, you should try to put a plan in place to try to address that (issue) with current employees," said Bob Holden, senior vice president at Employco, a Chicago-based company that handles payroll and benefits for small businesses.

Doing so can prevent future turnover among the rest of your staff. And, [Kaye](#) noted, holding on to workers is going to become more critical as the labor market improves and shrinks the pool of available talent.

Many small business owners have no time or inclination to give annual performance reviews or hold staff meetings. For them, the exit interview may be the only opportunity to get feedback from workers, Holden said.

"It's a great opportunity for you to find out a lot of things that are going on in your operation," he said.

If the departing worker is one you're glad to be rid of, you should still hold an exit interview.

"Even your marginal or low performers will tell you things that you can use to light the fire" in your company, [Kaye](#) said.

You should try to set aside at least half an hour for an exit interview, consultants say. But, depending on the circumstances, you might not always have that much – Rob Wilson, president of Employco, recalled a worker who stood up, threw her electronic card on her desk and walked out. He described a "one-minute interview on the way to the elevator," with the employee ticking off her reasons for quitting.

"We did get some things out of that," he said.

It certainly can be hard to conduct an exit interview. No one wants to hear bad news, or to have to sit down and talk with someone who's angry. Holden suggested business owners have a list of questions prepared in advance.

Another option is to have a third party handle it, perhaps an outside human resources professional. Leigh Branham, a human resources consultant in Overland Park, Kan., said this approach might actually be more productive in general.

"On the last day, when they're leaving ... they'll tell you what's politically correct or what you want to hear, or they'll tell you they're moving for more money," said Branham, author of "The 7 Hidden Reasons Employees Leave."

"What can we do to make you stay" is certainly a question you should ask if you don't want to lose a good worker. At that point, you're conducting a stay interview, and doing some negotiating to see if you can reach some kind of compromise.

[Kaye](#) recalled a worker who told her boss she was quitting; he didn't ask her why. When his own superior approached the woman, he found out that she was leaving because she didn't believe the company would give her a flexible work schedule. It turned out management was indeed willing to help her.

But Branham noted, some employers need to put aside their feelings of having been rejected in order to have a stay interview.

"There's an interesting attitude employers have about people who leave. ... 'We don't want you here if you don't want to be here,'" he said.

Branham and [Kaye](#) also suggested business owners not wait for a departure to be having a serious conversation with employees. [Kaye](#) says she takes her staff

on individual walks once a year to see how they're feeling about their work and the company.

"I ask, what can I do to keep you," she said.

Branham has similar advice: "Talk to employees who have been there for a while and ask what's keeping them there."