

“ROLE OF SEPARATION SYSTEMS AND EXIT INTERVIEWS”

Ms. Neeraj Kumari*

ABSTRACT

The paper presents findings from data analysis of formal exit interviews conducted in IOCL from 2002 till 17th June 2008. It also aims at understanding the employee separation policy of IOCL as well as the benefits that are being extended to the separating employees. When an employee resigns from an organization, that time he/she has to fill a form which has various reason for his/her exit from the organization. This form helps in knowing the reason for which an employee is leaving. The analysis is done on the basis of the answers to the questionnaire prepared. The few important benefits covered in the questionnaire are pensions, medical bills, undue settlement, different schemes, provident fund, etc.

Keywords: benefits, employee satisfaction, exit interview, resignation, separation system.

* Assistant Professor (Department of Humanities & Management), FET, Manav Rachna International University, Faridabad, India

INTRODUCTION

Separation of employees

Separation of employees from the company is a very broad term. There are four categories in which the separation system is divided and these categories are further divided into sub-categories. These are as follows:

1. Retirement

- A) Retirement on superannuation
- B) Premature retirement on medical grounds
- C) Voluntary retirement from the services

2. Death

3. Resignation

4. Termination

- A) Termination, discharge or dismissal as a result of disciplinary action
- B) Termination in terms of contract of services

Exit Interviews and Employee Turnover

In the most straightforward terms, an exit interview is simply a means of determining the reasons why a departing employee has decided to leave an organization. In fact, it appears that many organizations take this definition literally... in a 1992 survey conducted by Human Resource Executive Magazine, 96% of HR managers agree that they conduct exit interviews with employees who are leaving voluntarily.

(1) However, in most cases, the information collected is not put to any useful purpose. In fact, the same study showed that just 4% of companies conducting exit interviews conduct them in a structured and systematic way.

(2) This situation does not appear to be much different than in 1975 and again in 1981 when several thorough reviews of exit survey practices indicated that the information gathered from exit interviews is rarely used.

(3) It appears, then, that many organizations are failing to recognize the value of a systematic approach to collecting information from exiting employees, including:

1. Gathering and collating the data in a structured manner

2. Aggregating the results for the organization as a whole
3. Analyzing the findings to identify consistent trends, patterns and themes
4. Using the results to determine and implement strategies to increase retention and reduce turnover.

The traditional method of having the employee's supervisor or a company HR representative conduct an in-person interview on an employee's final day is fraught with difficulties and problems, including being time-consuming, difficult to tabulate, not necessarily executed consistently and both less reliable and valid than using surveys to collect the data.

(4) As an alternative, there are a variety of third party methods available that can be used to interview departing employees in a more effective and efficient manner than the internal in-person interview. Given the proliferation of corporate Intranets, a Web-based method of data collection can be particularly useful in meeting this need.

The value of exit surveys

A structured system of exit surveys can play an integral role in a well-planned program of employee satisfaction and work climate research. Some useful principles for planning an exit survey system include being:

- Universal – interviewing all voluntary departures provides a more complete understanding of turnover.
- Standardized – using a core set of consistent questions ensures comparability throughout the organization and across time.
- Comprehensive – including feedback on the work environment in addition to reasons for leaving increases usefulness in determining strategies to reduce turnover.
- Independent – minimizing the discomfort in revealing the true reasons for leaving improves the reliability of the results.
- Available – encouraging centralized access to the findings increases the likelihood of taking action.
- Monitored – setting targets for reduction in turnover through planned strategies helps to ensure that the investment made in exit surveys is put to its maximum use.

Guidelines for determining the exit interview content

As with all questionnaires, it is important to strike the right balance between information needs and survey length when putting together an exit survey instrument. There are six key guidelines that should be kept in mind to help ensure that the end result is a useful and effective survey:

1. Do not focus solely on the employee's reasons for leaving – although this is extremely important information, it is also critical to include broader measures about the employee's attitudes and experiences so as to help identify the issues and concerns that may not surface when asking about reasons for leaving.
2. Ensure that there is more than one way for employees to express their reasons for leaving – including several open-ended questions for them to include their own comments – so as to get a full perspective on the decision to leave.
3. In order to get beyond a focus on the decision itself, incorporate key attitudinal measures such as the employee's satisfaction with the job itself, an assessment of the organization's work culture and effectiveness of its various lines of communication, how well the employee's job responsibilities were defined, perceived opportunities for advancement and the employee's perspective on the amount of training, feedback and recognition received.
4. Recognize that, for maximum effect, any exit survey system needs to be implemented consistently and in such a way as to encourage employees to share their opinions as honestly and candidly as possible.
5. Incorporate the ability to examine results not only on the basis of individual results but for the organization as a whole, as well as on the basis of the relevant diagnostics, such as region, department or manager.
6. Remember that there is an important distinction to be made between idiosyncratic reasons for leaving, over which the organization has little control, and systemic reasons for leaving, over which the organization can exercise substantial control.

LITERATURE REVIEW

Schachter, (2005), Open-ended questions should be asked in exit interviews and ideally the interview should be conducted by a human resource person or someone other than the employee's immediate supervisors.

Deery, (2000), Employees who leave an organization can provide considerable insight into the problems they faced during the tenure of their employment. Conversely, exit interviews have been criticized as an intrusion into an employee's right to privacy and that they are of more benefit to the organization than to the employee.

Feldman & Klaas (1999) generated four hypotheses to test how exit interview procedures influence exiting employees' self-disclosure of their reasons for departure. They conclude that employees tend to disclose their honest reasons for leaving when data is treated confidentially and fed back by human resource managers in aggregate form, when it does not result in a negative reference from their direct supervisors, and when they believe that in the past the employer has taken action on problems identified in exit interviews.

Giacalone et al. (1997) conducted a more rigorous investigation that suggested that, while a number of factors do tend to lead respondents away from honest answers, there are ways data-gathering efforts can be designed to promote more truthful and helpful responses. Clearly, departing employees may not always want to share their full rationales, but thoughtful designs for exit interviews and surveys can help minimize dishonesty in responses.

Fottler, Crawford, Quintana, & White (1995) suggested that there can be a way to keep an employee that the organization does not want to lose, although for many departing employees actions taken as a result of an exit interview may be *too little too late* to retain them.

Mok & Luk, (1995), Exit interviews are considered to be a powerful tool for analysing turnover. An exit interview is a discussion, which can vary in structure and formality, between the departing employee and the employer, designed to get information their employment experience and motivations for leaving. The content discussed in such an interview can be wide ranging,

including reasons for leaving; perception of management and organisation; satisfaction with job, working conditions, organisational climate; socialisation issues; training received and career opportunities.

Wood & Macauley (1987) conducted a survey on 27 American hospitality organizations; the exit interview methodology used for data collation has immense influence the quality of the information collected. They found that organizations too often centered the interviews on the reasons for leaving, rather than the attitudinal and organizational causes for turnover. In no cases were the interviews concerned with the 'individual and organization fit' posits that employee attitude surveys yield far more reliable information than did the exit interviews. They found that from surveys organizations could learn how employees viewed their jobs, their supervisors, their working conditions and other aspects of the organization. They also noted that attitude surveys gave the organization time to intervene confidently and address the identified problems.

Dworak (1983), noted the awkwardness of the occasion of an employee's departure and stresses that exit interviews should address not only a need for better information but also the desirability of the exiting employee leaving with a positive impression of the organization.

Garretson and Teel, (1982), suggests that among departing secondary-school teachers, the expressed reason for departures is often not the reason others involved view as most "true." Research on the validity of responses to exit interviews and surveys suffers from numerous methodological problems, however.

Hellweg and Phillips, (1981) did an investigation of Fortune 500 companies over twenty years ago. They found that aggregate data collected in exit interviews was rarely used and little follow-up was done after termination. Companies in the sample noted the principle weakness in these interviews was the difficulty of obtaining truthful responses from exiting employees.

Hinrichs, (1975) suggested that interviews were less reliable and valid than surveys. Most published material has focused on exit interviews alone. We can infer, however, that surveys are especially suited for larger institutions.

RESEARCH METHODOLOGY

Objectives of the project

- ❖ Understanding the Employee Separation Policy of IOCL as well as the Benefits that are being extended to the separating employees
- ❖ To study the exit interview system in the organisation.

Research methodology

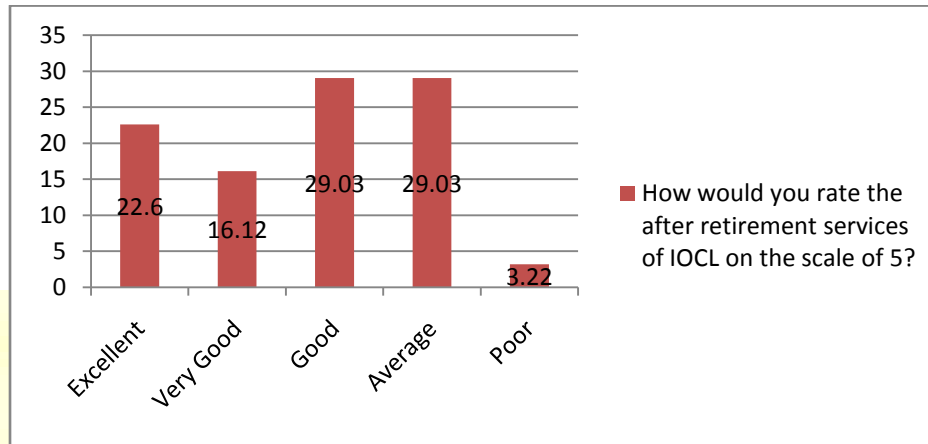
- Primary research: telephonic interview
- An extensive study of the topic through various sources and data available in HR Handbook Indian Oil Corporation ltd., Magazine- Margadarshan, and the data collected from IOCL records, Internet.
- A questionnaire was formulated so that to know the views and responses of the employees and analyze them.

DATA ANALYSIS AND INTERPRETATION

Table 1

Options	Q 1. How would you rate the after retirement services of IOCL on the scale of 5?
Excellent	22.6
Very Good	16.12
Good	29.03
Average	29.03
Poor	3.22

Figure 1

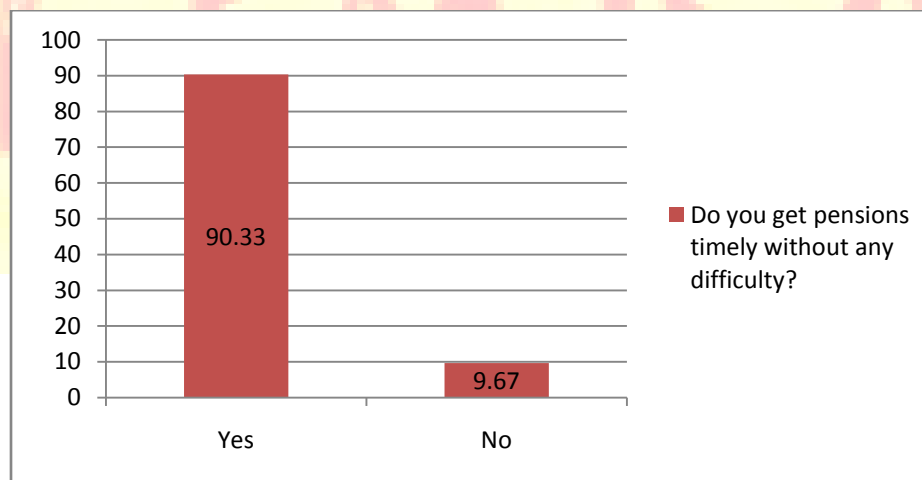


Interpretations: The maximum respondents (i.e. about 29.03%) have rated after retirement services as good and average, while 22.6 % of the respondents have rated after retirement services as excellent.

Table 2

Options	Q 2. Do you get pensions timely without any difficulty?
Yes	90.33
No	9.67

Figure 2

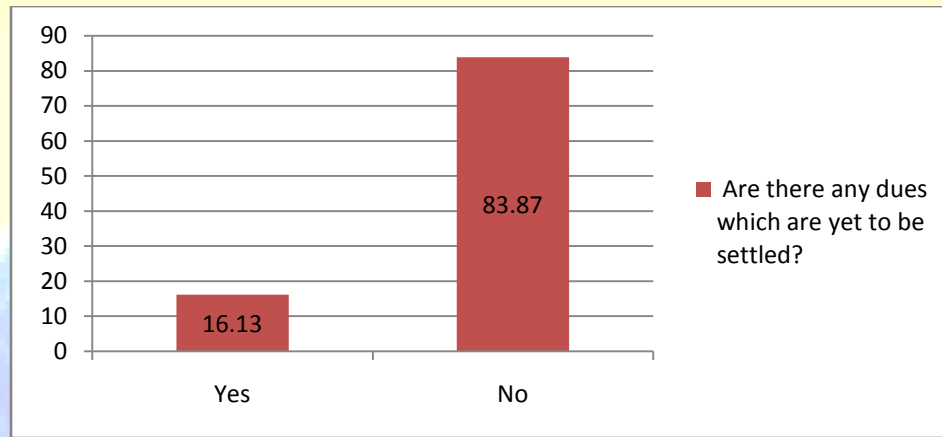


Interpretations: 90.33% of the respondents have said that they get pensions timely without any difficulty, while 9.67 % of the respondents have faced difficulty in getting their pensions.

Table 3

Options	Q 3. Are there any dues which are yet to be settled?
Yes	16.13
No	83.87

Figure 3

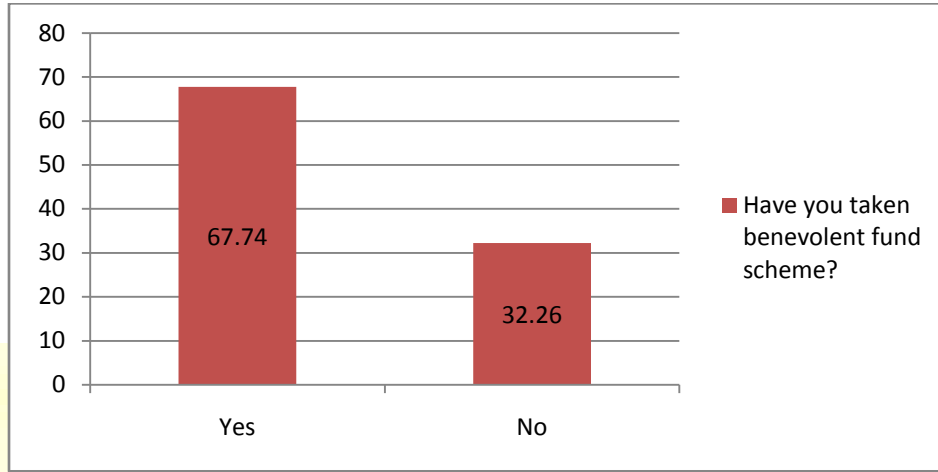


Interpretations: 83.87% of the respondents have said that no dues are to be settled after their exit from the company, while 16.13% of the respondents have their dues still unsettled.

Table 4

Options	Q 4. Have you taken benevolent fund scheme?
Yes	67.74
No	32.26

Figure 4

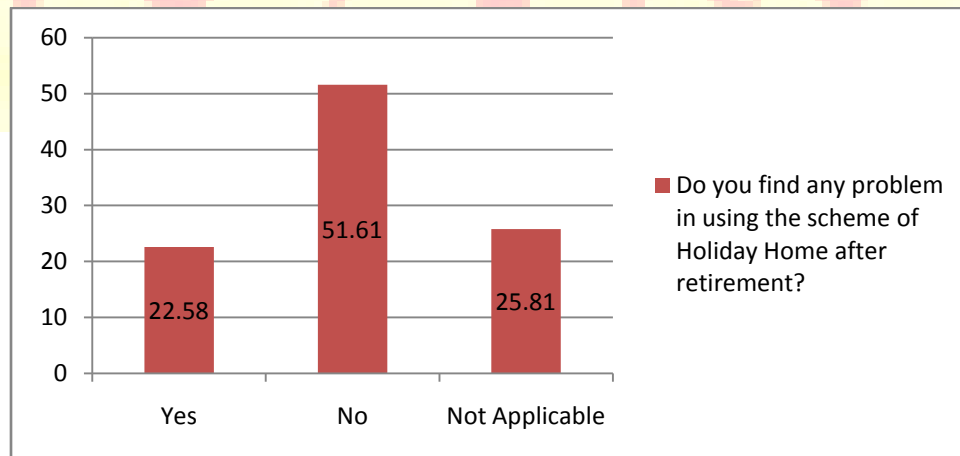


Interpretations: 67.74 % of the respondents have taken benevolent fund scheme, while 32.26% of the respondents have not taken such scheme.

Table 5

Options	Q 5. Do you find any problem in using the scheme of Holiday Home after retirement?
Yes	22.58
No	51.61
Not Applicable	25.81

Figure 5

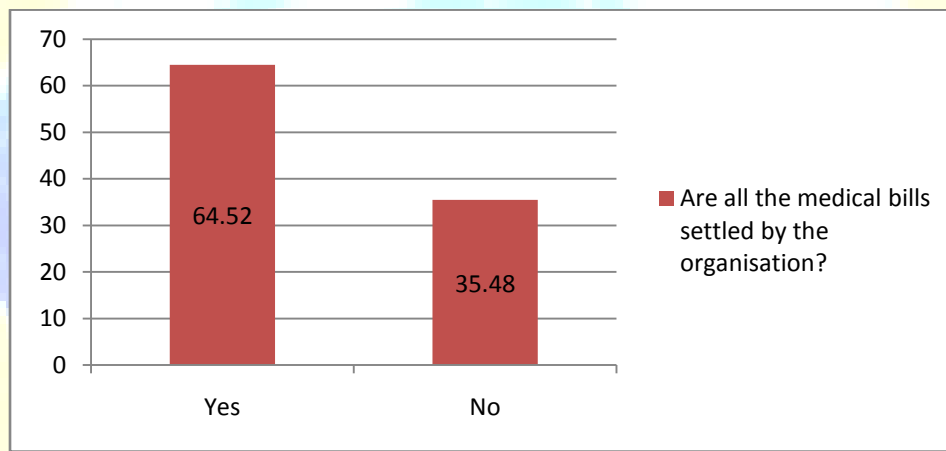


Interpretations: About 51.61 % of the respondents have not found any problem in using the scheme of Holiday Home after retirement, while 22.58 % of the respondents have faced the problems in the same.

Table 6

Options	Q 6. Are all the medical bills settled by the organisation?
Yes	64.52
No	35.48

Figure 6

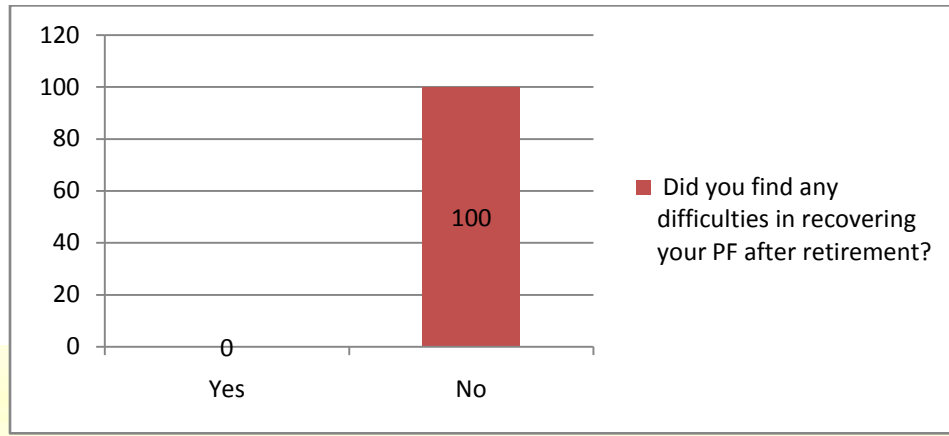


Interpretations: About 64.52 % of the respondents have said that their medical bills have been settled by the organization, while 35.48 % of the respondents have said that their medical bills have not been settled.

Table 7

Options	Q 7. Did you find any difficulties in recovering your PF after retirement?
Yes	0
No	100

Figure 7

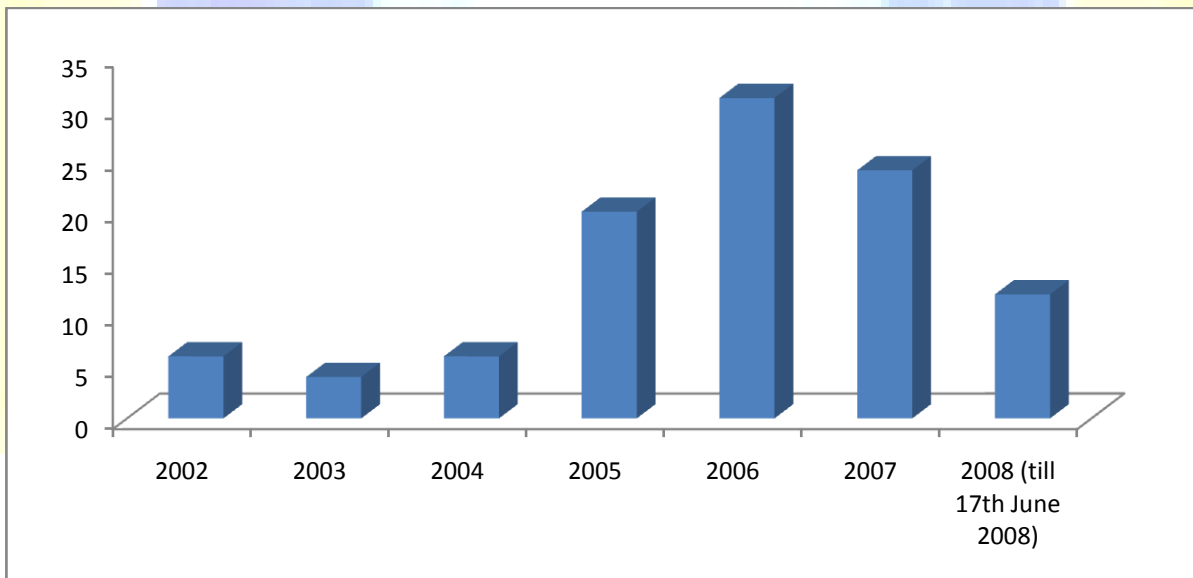


Interpretations: All the respondents have said that they did not find any difficulty in recovering their PF after retirement.

ANALYSIS OF THE EXIT INTERVIEW FORM

This is the graph showing number of employees resigned from the period 2002 till 17th June 2008.

Figure 8



Interpretations: The above graph is showing the resignation that took place from 2002 till 17th June 2008. In the year 2002 the resignation was under control as there were only 6 employees who left the organisation. Same trend was followed in the next two years as in 2003 the felled

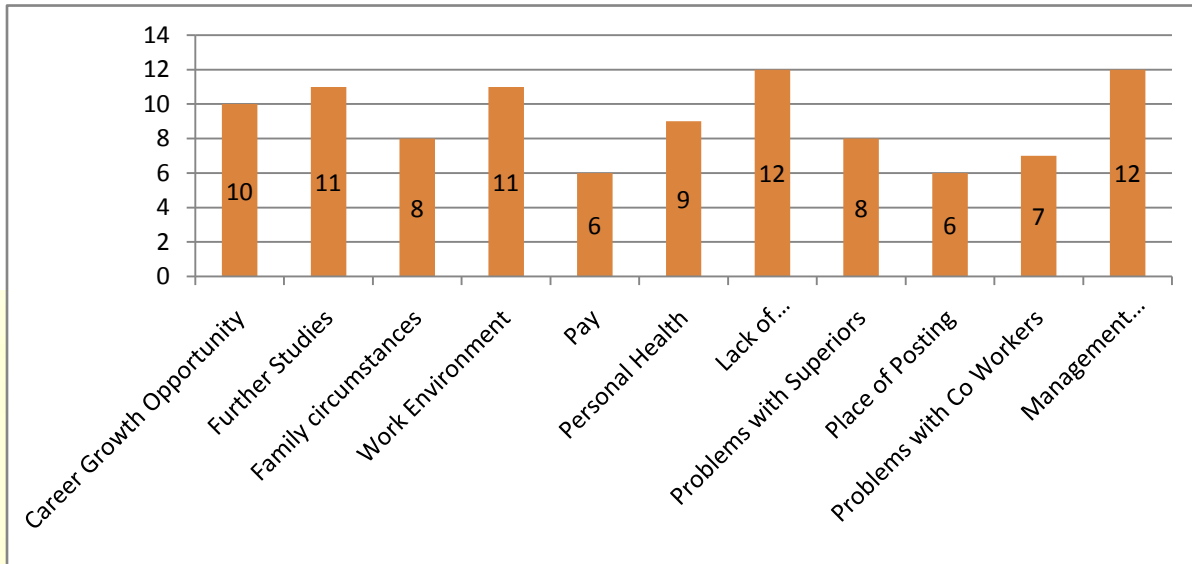
from 6 to 4 and in the following year it increased from 4 to 6. But from the year 2005 the number of employees leaving the organisation increased at a very high rate. In 2005 the graph moved high up till 20 employees. 2006 saw the maximum number of employees separating due to resignation as there were 31 employees who resigned. In the year 2007 the graph went down to 24 employees for the year 2008, there are 12 employees who have left the organisation but this figure is till the date 17th June 2008.

The reasons for employees leaving the organisation in the year 2008 are explained below:

Table 8

Reasons of resignation of the employees	%
Career Growth Opportunity	10
Further Studies	11
Family circumstances	8
Work Environment	11
Pay	6
Personal Health	9
Lack of recognition/appreciation from management	12
Problems with Superiors	8
Place of Posting	6
Problems with Co Workers	7
Management decisions/actions	12

Figure 9



CONCLUSIONS

Indian Oil being a semi government organization never had a better position in comparisons with the private firms in terms of attrition. From the year 2006 the number of the people leaving the organization is increasing at a high pace. It has become a problem for the organization to know the right reason for the employee to leave the organization. In order to maintain the good relationship with the company, not all the employees who have resigned gives the honest reason for their exit. It has become challenge for an organization to know the honest reason and to work on it.

The employees who resign undergo the formal procedure of resignation. In the process of the resignation, an employee is supposed to fill the exit interview form, but many employees do not fill the entire form or rather they don't take the form too seriously. Many forms are kept half filled.

Though this process looks very structured but the manner in which it is being done is a lot cluttered. Each step consumes a lot of time. The person who handles resignation cases has to do a lot of running around to put all the information from different departments together before the case can actually be processed. In many cases it was observed that the concerned employee had not submitted the complete forms to process his resignation and a few forms were being filled in the last moment.

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