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News

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Patrick Stafford A company belonging to maverick investor and IT entrepreneur Nicholas Bolton has been placed in liquidation.

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Patrick Stafford As much as 1.5% will be wiped off GDP growth in the March quarter due to the



The importance of exit interviews

Employers able to ascertain why staff leave may be able to retain their top talent by cultivating change within their organisation. BY NINA HENDY



Tuesday, 08 February 2011 00:00

Nina Hendy



The skills shortage continues to make life difficult for businesses across the country. In fact, 2011 will be the year that many employers are predicted to lose staff to their competitors. But employers able to ascertain why staff leave may be able to retain their top talent by cultivating change within their organisation.



One of the most effective ways to do this is by conducting an exit interview with departing staff, which can provide some clues as to what can be done to ensure staff stay with your business.

A whitepaper by OneTest, an Australian company that develops online survey platforms (including exit interviews) found that people don't usually leave an organisation for one single reason – most people leave because a number of thoughts, feelings and events develop over time.

Because of this, asking a person 'why did you leave' tends to result in one of two answers: a complete history of their time in the organisation, including every problem or issue they ever had, or more commonly, a simplistic and trite response such as 'better pay'. The paper points out that neither of these answers is very helpful.

But an effective exit interview can narrow down their reasons for leaving.

The statistics

Research by The Interview Group found that in Australia and New Zealand, 92% of organisations conduct exit interviews in some form. However, most feel they struggle with the process, with just 15% of organisations agreeing or strongly agreeing that they receive maximum value from the process.

Most organisations (79%) still use the old-fashioned approach of a face-to-face meeting between the HR person and the departing employee. The other three methods are paper forms, online surveys and phone interviews.

Lenore Lambert, director, The Interview Group, which gathers retention intelligence for employers, says all companies should conduct exit interviews with all departing staff.

"Gather lots of information. It's your last chance to ask for it. Think about what you'd like to report on," she says.

Christine Khor, director of sales and marketing recruitment specialist firm, Carrera Partners, says the objective of an exit interview should be to gain information regarding the real working environment.

"You want to increase staff satisfaction, increase staff tenure and as a result, increase productivity and profit."

Khor says it's important that exit interviews don't simply become a standard procedure that isn't sufficiently analysed. She says that if a company has a board of management, they need to be supportive of the interview and the outcomes.

"It's essential that the business takes a real interest in the results. The real use of an interview is in the execution of the results."

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