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# Just a word before you go go go

Staff may move on,  
but there's no need  
to lose their input.  
Enter the exit interview

It's been 10 years since lawyer Jacqueline O'Dea left a top law firm for an in-house role at Lend Lease. So why do her former employers at Blake Dawson Waldron still take her out to lunch on a regular basis? O'Dea, as a member of Blakes' alumni group, also gets invited back to the firm for cocktails every year. The group is one of the most selective in town – you have to leave before you're invited to join.

It's all part of a trend among big firms to focus on the staff they lose in a bid to make sure they keep the staff they still have. Alumni clubs – along with tools such as exit interviews and web-based staff surveys – are part of a shift in the retention strategies used by companies keen to reduce costs, improve communication and identify key management trends. After all, if top performers are still in touch, the next move they

make may be back to the company they once left. And departing staff are more likely to spill the beans about what they really think about management and whether the corporate culture lives up to the hype.

"Exit interviews are important because you have to make sure your value proposition, the reason you are bringing them into the firm, actually lines up with [employees'] experience," says Marlene Murray, director of human resources at Blakes. "That would be the most important thing coming out of this. We bring them in here on this promise to have a certain type of career, [so] are we fulfilling our promise in their eyes?"

But it's not just about expectations. The cost of replacing a single employee generally costs a company 150 per cent of that employee's annual salary, according to recruiter Drake International, which has recently

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published a white paper on exit interviews. For large companies, replacing employees could be costing them millions of dollars each year. And while the cost of hiring temporary workers and training new employees can be calculated, harder to quantify are those hidden costs such as disruption to clients and customers, loss of internal knowledge, and the declining morale of remaining team members.

So why isn't the process more widespread? The chairman of Drake International, Ron Unwin, says companies often don't admit that when an employee leaves, he or she is, in effect, firing the company: “Managers can feel as though they are being passed by – sometimes this is taken personally.” Plus, companies aren't getting the most out of the process. For example, Unwin says line managers are frequently asked to conduct the interview: “The role is delegated to someone who may not be truly independent or skilled in conducting the interview.”

Unwin recommends that a qualified HR practitioner conduct the interview. If the company doesn't have the HR capabilities, the process should be outsourced.

Murray agrees that line managers and partners are not the appropriate people to be conducting the interview, but thinks the role is too important to be outsourced: “It is important for a senior HR person to do the interview and handle that feedback, and that's why I like HR people to write that report as a third party and be objective about the reasons someone left.”

To get the low-down on what has really gone on, the right questions have to be asked. Drake, which conducts the interviews for clients, recommends questions cover the job description, working conditions, hours worked, management, career opportunities, benefits and compensation, and the plans of the employee. But how honest are departing employees likely to be, given the tight-knit nature of many industries?

Murray is realistic about the depth of information that can be received, given people do not want to put their future employment opportunities in jeopardy. “Young people leaving one firm wouldn't want to burn their bridges, and in fact if we had someone leaving at any stage who was very good who was leaving for any reason, we'd always hope that we might get them back,” she says. “So you have to be very careful to put things in a way that doesn't burn bridges for them yet still gives managers honest feedback.”

Of course having reams of information will not do a company much good unless it has a strategy for using it and, perhaps more importantly, for who will see it. At Blakes, direct feedback is given to the departing employee's manager, something Murray admits can be confronting if the information isn't positive: “That's the break of being a manager – you have to take responsibility.”

Not everyone in the HR industry is convinced the information received should be reported directly back to the manager involved. “Trend data should be reported to assist in leadership development,” says Jo Mithen, executive director of the Australian Human Resources Institute. “If there is a particular issue raised, then HR should use their discretion to assist the manager of that area to deal with the issues that emerge.”

National law firms such as Blakes and Freehills instigated their exit interview systems as an antidote to turnover rates of about 30 per cent in the legal industry in the mid-nineties. Almost a decade later, the investment has paid off. Blakes has a well-honed process and the exit interview is now standard practice. Detailed questions are asked and coded, and trend data is analysed and reported back to the board. Further action is taken if necessary.

One of the biggest initiatives to come out of this process was the introduction of a flexible work strategy, and these days it is “part of the fabric of the firm”, according to Murray. She says that about 12 per cent of the firm's employees work from home, work part-time or share jobs.

At Freehills, HR director Adele Brady believes exit interviews tend to confirm what the firm already knows rather than throw up any new issues. In that sense they are a check to ensure the firm is on the right track. Although they are still useful, the real emphasis, Brady believes, is on talking to present staff to see what issues are of concern to them. To this end, Freehills makes use of the company intranet to do extensive surveying of its staff.

Freehills also keep tabs on where its top lawyers are heading. Then when partners head overseas they drop in on any former staff and find out what they are up to. Similarly, Blakes' alumni club holds regular functions and is particularly popular in London, where many Australian lawyers base themselves for several years.

But does all this networking pay off? Former Blakes lawyer O'Dea may not be considering a move in the near future, but she says the regular contact with her old firm would certainly influence any future career move. ❖

#### QUESTION TIME

- ❖ What level of support did you receive from your direct manager?
- ❖ Do you feel recognised for your job achievements?
- ❖ Do you feel your job contributed to the organisation's overall business objectives?
- ❖ What did you like and dislike?
- ❖ What could be improved?
- ❖ Would you recommend our organisation to friends as a company to work for?

Source: Drake International