



ROBERT WALTERS WHITEPAPER
ACQUIRING INSIGHTS FROM THE EXIT
PROCESS TO BUILD A BETTER WORKPLACE

ROBERT WALTERS

FOREWORD

In today's candidate-driven employment market, the ability to retain top talent is critical to any organisation's success. While the focus of the recruitment process is often on attracting and competing for the best professionals, giving the exit process enough consideration is equally as important.

Many employers and hiring managers overlook the opportunities which exit interviews can present. This is due to a variety of factors, such as the time it takes to administer them or the fact that this is not widely practised.

However, collating formal or informal feedback is a good way to gain insights into an organisation as departing employees are likely to be more forthcoming than staff currently in their jobs. The insights gleaned from former employees can shed light on all aspects of the working environment. This can include the corporate culture, IT systems and daily processes, the top management style and underlying factors contributing to low retention rates.

If managed carefully, the exit interview can also be a way for employees to leave on a positive note or provide employers with the opportunity to make a counter offer. After all, every employee is an ambassador of the organisation even after leaving their jobs.

Our research has shown how candid professionals can be during the exit interview and how much employers use the information they are given to make changes in their organisations. This whitepaper also includes recommendations on how to better manage counter offers and the exit process, in order to achieve a positive outcome for all parties involved.



INTRODUCTION

This Robert Walters Focus Asia whitepaper has been created to help employers gain more valuable insights with the exit process and recommends how they can be utilised to develop a better workforce.

Specifically this whitepaper explores:

- What pushes professionals to leave
- How professionals approach resignation
- Counter offers and how to manage them
- Utilising the exit interview to its full value

METHODOLOGY

This whitepaper is based on the findings of research conducted by Robert Walters Asia. To compile this whitepaper, Robert Walters surveyed 771 job seekers and 496 hiring managers across China, Hong Kong, Indonesia, Malaysia, Singapore, Taiwan, Thailand and Vietnam.

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WHY PROFESSIONALS LEAVE

The majority of professionals, at 39%, spent an average of three to four years in a role. 11% of the professionals surveyed cited both limited growth opportunities in the company as well as being underpaid as the two top reasons for leaving their jobs.

Our survey of employers revealed similar trends as most hiring managers responded that 37% of employees typically spent three to four years in their organisation.

15% of employers surveyed ranked limited growth opportunities and having their employees poached by other companies as the top reasons why professionals left their jobs. Likewise, being underpaid was the next largest factor as cited by 14% of hiring managers.

Key learning #1

Professionals are aware of their market value

As indicated by the figures, monetary rewards were still highly regarded by professionals. With credible research material such as the Robert Walters Global Salary Survey and frequent networking opportunities, employees are able to form an average wage benchmark against their industry peers. Therefore, offering a competitive salary package is also a reflection of how valued the individual is to the organisation.

Key learning #2

Implement succession planning

Professionals correlate longevity in a role with the growth opportunities presented to them in an organisation. Attention should be paid to acknowledging employees for the hard work that they do, and rewarding them with recognition is just as important as monetary benefits. By having a clear career progression path, employees are aware they have a sustainable future in the company and this is likely to improve staff retention rates.

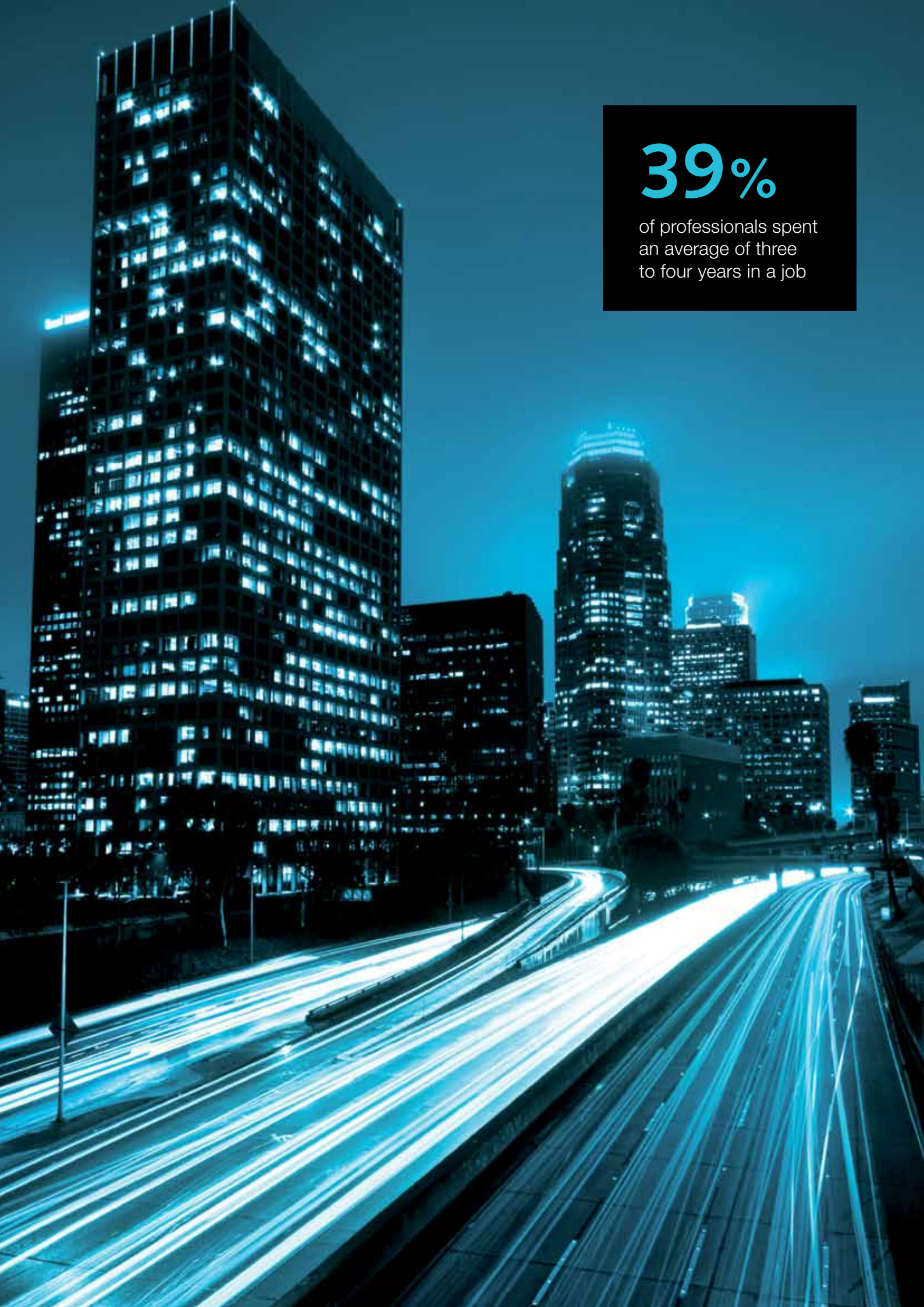
The top two reasons why professionals chose to leave a role are limited growth at the company and insufficient salaries

Figure 1.0 – The top five reasons why professionals chose to leave a role:



Figure 2.0 – The top five reasons employers believe professionals chose to leave a role:





39%

of professionals spent
an average of three
to four years in a job

HOW PROFESSIONALS APPROACH RESIGNATION

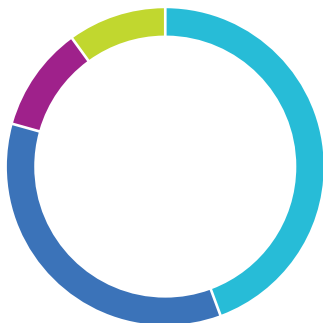
When professionals were asked if they told their current employer they were unhappy before searching for a new role, the split was roughly down the middle, with 42% saying that they did.

The main reasons for this include “not wanting to burn any bridges” (44%), followed by “out of respect for the company” (35%), “thinking there was a reasonable chance of a promotion” (11%) and, lastly, being “reluctant to go through the recruitment process at the new company” (10%).

However, once the search had begun, the majority of professionals (42%) only disclosed the fact that they were looking for a new job after they had signed the new employment contract.

On the employer’s side, the overwhelming majority (94%) encouraged employees to come to them with a problem before searching for a new role. Most also believed that they can tell when an employee was about to resign, with 85% stating that there were always signs such as distraction and disengagement, decreased work efficiency and absenteeism.

Chart 1.0 – Why would you go to your employer first before searching for a new job?



- 44% I did not want to burn any bridges
- 35% Out of respect for the company
- 11% Reasonable chance of a promotion
- 10% Reluctant to go through the recruitment process

Key learning #3

Promote open communication

Almost all employers want their employees to come to them with an issue before looking for jobs elsewhere, however the results indicate that in reality this is not the case.

Higher retention rates could be achieved by ensuring employees are comfortable to share feedback and constructive criticism with their managers, and vice versa. It is better to encourage open communication at all times, because the majority of professionals indicated that once they have started looking, they would only tell their employer after they had accepted a new job offer and signed the contract.

Key learning #4

Implement feedback channels

Strategies to encourage open communication include creating opportunities for networking and teambuilding outside of the office, which helps to develop a sense of camaraderie and loyalty. Other measures include a transparent appraisal process, whereby the employee’s strengths and weaknesses are clearly assessed.

42% of professionals only disclosed their job search after they had signed on the new employment contract

85%

of organisations believe they
are able to foretell when an
employee is about to resign



HOW PROFESSIONALS APPROACH RESIGNATION (CONT'D)

Key learning #5

Learn to read the signs

Most employers believed they can tell when an employee is about to resign. Learning to read the signs that an employee is unhappy or disengaged is important so the problem can be addressed in the early stages. This is important not just for the employee concerned, but also prevents other employees from being affected by any negativity and decrease in productivity.

Taking this initiative may change an employee's mind about leaving and therefore prevent the costs of staff turnover. It will also give you more time to consider the current market and your recruitment strategy before the formal resignation.

Key learning #6

Get to the root of employees' unhappiness

We would recommend that line managers seek help from the HR department to set up a meeting and find out the root cause of an employee's unhappiness. If the problem is in fact work-related, setting new goals that will create fresh challenges is a good way to keep employees engaged, happy and feeling useful. If the problem is personal, it is even more important to establish open and honest lines of communication in order to assist the employee where possible and to ensure the impact on the business is minimal.

Most employers (80%) believed the top telltale sign of an employee on the brink of resignation is distraction and disengagement in the workplace

Figure 3.0 – What were the top three telltale signs an employee was about to resign?



Seemed
distracted or
disengaged



Decreased
work efficiency



Drop in quality
of work



58%

of professionals did not
tell their employers of
their unhappiness before
starting a job search

COUNTER OFFERS AND HOW TO MANAGE THEM

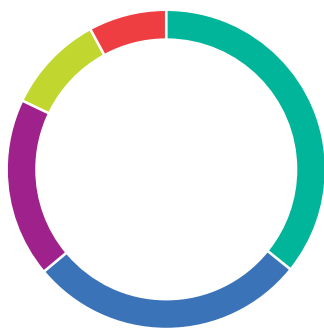
Once professionals have resigned, the results show that most (54%) did not receive a counter offer. Of the 46% who had received a counter offer, about a third agreed to stay.

Increased pay and a more competitive package were cited as the top reasons (35%) for employees who would accept a counter offer, closely followed by improved career progression (30%).

Results from hiring managers were a close split down the middle: 57% replied that they counter offered employees upon their resignation, of which 63% were declined.

Employers viewed resignations optimistically, with the vast majority (87%) believing they present a good opportunity to add new talent to the business.

Chart 2.0 – Why candidates accepted a counter offer:



- 35% Increased pay
- 30% Improved career progression or promotion
- 16% More flexibility
- 11% Change of team or leadership
- 8% Increased stability

Key learning #7

Find out the real reason behind a resignation

If a highly valued employee has resigned and the organisation would like them to stay, results show that counter offers are sometimes accepted when the terms of the offer are attractive. Salary was cited as the most popular reason to accept a counter offer. However, it is important for hiring managers at this stage to consider why the employee has resigned in the first place.

Other studies have shown that while pay rises can entice some candidates for the short term, there are usually other underlying causes for their unhappiness.

As stated earlier, professionals cited limited growth opportunities at their organisations along with unsatisfactory salary packages as key reasons for leaving. Hence, apart from offering attractive salary packages, the key to effective retention is to keep employees engaged with the development of meaningful KPIs and a clear career progression path.

Key learning #8

Prepare for a counter offer

Hiring managers should be aware that a candidate's current employer will most likely make a counter offer. This is particularly common in a candidate-driven market where top performers are often highly valued by the organisation.

To pre-empt this, it is recommended to go to a reputable recruitment firm that can pre-screen candidates. As candidates tend to be more open with recruiters than hiring managers, they will be able to assess a professional's motivations for resigning. The recruitment specialist can also help mitigate the appeal of the current employer's counter offer in order to avoid losing the preferred candidate during the job offer stage.

46% of professionals who received a counter offer accepted the new employment package



63%

of employers who
presented counter offers
to resigning professionals
were turned down

THE EXIT INTERVIEW AND ITS VALUE

Most professionals (76%) have been asked to give informal feedback when they resigned. A majority of them (73%) have also been asked to do a formal exit interview.

An overwhelming majority, at 72%, felt they could give honest and constructive feedback. However most thought the process was not worthwhile and felt it was purely standard operating procedure.

Most of the hiring managers surveyed said that they conduct both informal (95%) and/or formal (90%) exit interviews in their company. A number of employers (67%) believed the exiting employees were honest in their feedback and many (63%) felt it was useful to both the professionals and the organisation.

While 70% of hiring managers used the feedback to make improvements to the business, some employers surveyed (15%) revealed they just filed the feedback away with the candidate's resignation notice.

Key learning #9

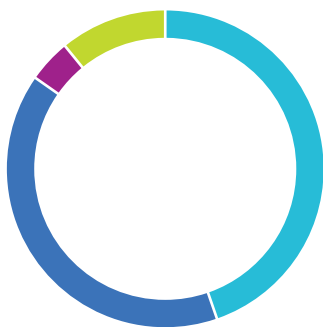
Make use of the feedback

A majority of both employees and employers felt that honest feedback can be exchanged and noted in either informal or formal exit interviews. It is equally encouraging to note that a significant percentage took such feedback seriously to make further improvements to the organisation.

Employers would benefit from using the insights gleaned from their exit interviews to gain a better understanding of the company and staff, and subsequently design strategic improvements to the business.

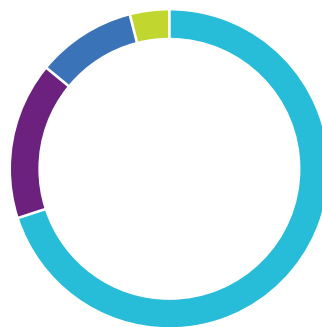
An exiting employee may suggest significant changes that, if implemented, could attract and retain more high calibre candidates in the future. At the very least, the exit interview is the perfect time to ensure that no bridges are burnt and that the professional and former employer part ways on good terms. It is also important to note that the exit interview is not appropriate for employees who have been asked to leave as they are likely to give emotional responses.

Chart 3.0 – How worthwhile did professionals find the exit interview process:



- 44% No, it just felt like standard operating procedure
- 40% Yes, it was useful to me and the company
- 12% Yes, it was useful to the company only
- 4% Yes, it was useful to me only

Chart 4.0 – How employers used exit interview feedback:



- 70% Yes, I used the feedback to make improvements to the business
- 15% No, the feedback is usually just filed away
- 11% Yes, I used the feedback to help create new job responsibilities for the role
- 4% No, I did not use the feedback



44%

of professionals felt that their exit interview process was not worthwhile at all

CONCLUSION

The exit process provides the opportunity to glean valuable insights about a company's culture, processes and daily management that, if used to implement positive changes, could set you apart from your competitors.

Exiting employees often have the freedom to speak without fear of losing their jobs, and, as the survey has found, most value the exit interview as an opportunity to give honest and constructive feedback. However, a majority still see it purely as standard operating procedure and do not believe the process was worthwhile.

When managed carefully, the exit interview ensures a smooth transition for the exiting employee so that there is mutual respect and goodwill on both sides.

While exit interviews may be uncomfortable for some, it is clearly evident from the statistics that the exit process can play an important role in an organisation's overarching recruitment strategy and is vital to successful retention management in the long term.

ABOUT THE ROBERT WALTERS FOCUS ASIA WHITEPAPER SERIES

This whitepaper is the second edition in the Robert Walters Focus Asia Series. This Series features a range of thought-leading whitepapers designed to help employers identify and address topical issues that could be affecting their recruitment process.

FOCUSASIA

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