I LOVE YOU GOODBYE: TALENT TRANSITION STRATEGIES FOR DEPARTING EMPLOYEES

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ABSTRACT

The challenge of talent management has two facets to it. First is how to find new people and second is how to retain the present workforce. A lot has been written about the acquiring and retention strategies of talent. In case, all strategies fail to retain the talent, an unsought dimension of talent management, i.e. talent transition or exit management evolves. The increased acceptance of modern concepts and practices of talent management has made it necessary to give attention to this aspect of talent management also.

Key Words: Talent Transitioning, Exit Interview, Outplacement

INTRODUCTION

The intensification of war on talent has compelled many organizations to go from thinking to action mode in practicing talent management. Talent transitioning is not a cup of tea of those traditional companies which are still in the era of labor management or industrial relations. Talent transitioning is last step in the cycle of talent management. Since staff costs including salary and benefits forms the major share of the total cost of a company it becomes vitally important to manage talent like a business to maximize return on investment in talent. Talent management is becoming the only sustainable competitive advantage companies can develop. Apart from attracting, retaining and developing of employees, talent management also includes paying as much attention to transitioning talents out of the company as the other main functional activities of talent management.

Exit management is one of the unsought dimensions of talent management. How companies deal with their outgoing employees also indicates their long term strategic vision. Attracting, retaining and engaging of employees have been discussed much, but the talent transitioning has been rather a neglected dimension. This paper analyses the theoretical and practical aspects of talent transition. Talent transition includes relocation of employees to other parts (or out) of the organization. We have only discussed the case of departing talent in this paper.

Talent Transitioning

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Talent transition includes the identification of, and development for, “next” opportunities such as role changes, promotion, transfer, and redeployment as employees move throughout the employment life cycle. Talent transition strategies may yield a variety of benefits for organizations and employees. Talent transition strategy creates a strong bond between the employees and organizations. A mentally and emotionally satisfied relationship can be developed by talent transition strategy which results in the betterment of performance of organizations. (Stainton, 2005; Kobayshi-Hillary, 2005). Exit Management is essential feature of talent transition strategy. The departing employees can give honest feedback to employer if proper exit policy is practiced by the company. The suggestions may go a long way in helping organizations improve its internal strategies. The faults from the side of the organization can be easily sorted out during interviews. The valuable suggestions of outgoing employees must be taken into consideration for managing talent in future. The exit interview is the last discussion between the management and the employees, therefore it must be conducted in a positive manner so that employees become a walking talking advertisement, and there must remain a chance to make contact with them if needed. Reed, (2001) Suggest that the departing employees work as the word of mouth advertisement for the organization. The outgoing employees may suggest another name in the place of them. According to Tansley talented employees should be always remembered and a strong relationship must be created with them always. (Tansley, et al., 2007, p. 52). Outplacement a practice of talent transition, and exit interview a tool for designing talent strategies are discussed below:

Outplacement

Outplacement is a sum of activities/efforts performed by downsizing company to help the outgoing employees to re-orient themselves to the job market. Generally, companies outsource outplacement have services from consultancy firms. The criticized phenomena like downsizing, rightsizing, redundancy & layoffs paved the way towards the increased importance of outplacement service. Consultancy firms are also enjoying the level of increased business activities. Since it involves costs, many companies are reluctant to provide outplacement services. Small and medium sized enterprises still do not provide outplacement services. Usually large enterprises having global operations provide outplacement services. Perhaps, the companies are unable to appreciate the positive affects & benefits like word of mouth advertisement and amelioration of the effects of retrenchment like grief and reduced self efficacy among departing employees. Outplacement makes it easier for employees to find career opportunities. Although there are different kinds of outplacement programs like career counseling, workshops, seminars etc but all of them aim to serve the single purpose of assisting & guiding the departing employees to cope with career crisis. It is one of the last opportunities the company can provide and offer outgoing employees.

C. Gribble and Peter Miller (2009) concluded that outplacement may cause further cycle grief and stress among retrenchees if there is not strong relationship between counselor and the retrenchees.
What scant academic literature is available suggests that outplacement is focused on getting the retrenched a new job. Further, the research suggests that the outplacement provider should ‘broker the deal’. That is, being an advisor to the organization prior to retrenchments and an advisor to the retrenched post the experience.

Exit Interviews

High employee attrition rate in any organization has the potential to negatively impact on the performance of the organization in the long run, particularly in a competitive market. This is compelling organizations to view human resource management as strategic decision. Talent management is the outgrowth of the same underlying shift in the concept of human resource management. Addressing the high attrition rate therefore is a matter of not only increasing the competitiveness of the organization but also its survival in some cases. Designing of suitable human resource strategies depends on proper identification of the perception of employees. In case of departing employees, the most commonly used tool of talent management is exit interview.

An exit interview is a discussion, which can vary in structure and formality, between the departing employee and the employer, designed to get information about their employment experience and motivations for leaving (Evans, 2006; Rudman, 2002, Stone, 2005). The principal aim of conducting exit interviews is to provide employers with information to reduce attrition rate in future, for example, through the identification of training and development needs (Green, 2004). The interviews are a two way process, as the interview also gives employers an opportunity to express their feelings (Knouse, Beard, Pollard, & Giacalone, 1996).

Organizations obtain qualitative information on turnover through exit interviews and surveys for crafting talent management strategies. However, it is of utmost importance to appreciate the critics that the reasons people give for their resignations are frequently untrue or only partially true (CIPD survey, 2004). The widespread use of exit interview may be unreliable. Sources of unreliability could be the vested interest of the departing employees from the interviewer like getting their letter of reference from them. Confidentiality and the purpose of the interview should be assured.

Engaging employees in a dialogue just prior to their departure may encourage them to consider returning in future as an employee and/or as a longer term stakeholder in the form of a customer, organizational advocate, a brand ambassador of the organization etc. In case of academic institution for example ex-professors could be invited for guest lectures. Conversation could be meaningful only if both the parties feel free and comfortable to gain a direct insight into employees’ opinions of the role, work processes, relationships and the organization. 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.
Fottler, Crawford, Quintana, & White (1995) suggest that exit interviews can be a way to retain 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. Exit interviews have also 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 employees. Woods & Macaulay (1987) conducted research on 27 American hospitality organizations found that organizations too often centered the interviews on the reasons for leaving rather than the attitudinal and organizational causes for turnover leading them to stress that exit interview methodology has immense influence the quality of the information collected. Phillips & Connell (2003) suggest that a person-to-person interview negatively affects the results of those interviews. Wanous et al. (1992) concluded that responses given at the time of exit interview were significantly different from the responses given in interviews conducted a month or more after termination. In addition, Woods & Macauley’s, (1987) research mentioned that fictitious reasons for departure are often cited at exit interviews as employees are reluctant to cite reasons that condemn the actions of the organization, management and supervisors in open interviews.

CONCLUSION

We discussed outplacement and exit interview as talent transition strategies. We observed that full potential of exit interview is not being utilized, as it could be a more powerful tool of devising talent transition strategy if used properly. There exists scant literature on outplacement. Most studies only describe the outplacement. The effects of outplacement on retrenchees and its long term effects on the organization are still required to be enquired. None of the studies on exit interviews and outplacement in Indian context is available. Most of the literature on talent transition in case of departing employees is descriptive and suggestive in nature rather than empirical. The effects of outplacement on the departing employees and the benefits could be empirically be tested. The fallacies and drawbacks of exit interview could also be empirically enquired.

REFERENCES


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