

ASKING “WHAT MAKES YOU STAY?” HOW STAY INTERVIEWS CAN IMPROVE EMPLOYEE RETENTION AND PRODUCTIVITY

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Hiring interviews and exit interviews are a very common, if not completely unavoidable, part of any employer’s business operations. What is less known and less talked about, however, are stay interviews—even though they could be the most important interviews your organization could ever have. This begs the question: what is a stay interview?

A stay interview is simply asking your employees: “What makes you stay?” Their answers almost always prove a useful tool in employee management.

WHAT IT MEANS TO ASK WHY EMPLOYEES STAY

In essence, a stay interview is a conversation between a manager and a direct report employee which explores those things that foster the employee’s decision to stay with an employer. A stay interview can also cover more discrete issues like why an employee stays within a particular department, on a project, or with a particular manager or supervisor.

Typically formal, these interviews are intended to promote open and honest dialogue with the employee in order to identify what the employer is currently doing right and uncover issues that could cause an employee

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to decide to leave. As a whole, stay interviews work to improve an employer's organizational structure, develop more effective policies and procedures, and promote increased employee satisfaction, engagement, and retention.

Unlike a hiring interview where the goal is to figure out whether a candidate is a good fit for your company, or an exit interview where the goal is to learn the root cause for an employee's decision to leave, a stay interview is intended to explore what it takes to keep an employee. The stay interview focuses on current employees that, as far as the employer knows, have not yet developed a reason to leave.

Many employers rely solely on exit interviews to fix employee turnover issues, but the information gained is often learned far too late to make a difference when it comes to the particular employee that has chosen to leave. In truth, it is very seldom that an employee who has made the decision to leave will give their employer a chance to change their mind. The stay interview occurs before an employee can get to this point and, if done properly, reduces the probability that the employee will get to the point of wanting to leave.

WHY ASK "WHY"?

One of the most compelling reasons for incorporating stay interviews is the positive impact that they can have on employee retention. There are high sunk costs associated with recruiting and hiring new employees. Once a company makes this investment in a new hire and cannot retain that employee, all of those resources are essentially wasted. If this cycle happens more than a couple of times a year, the costs become astronomical for an employer.

A stay interview is an important tool in staving off this kind of turnover because it provides employers with specific, relevant, and forward-facing information that enables them to retain practices that need to be retained and fix things that need to be fixed. By

identifying this information, employers are able to increase employee job satisfaction, reduce turnover, and improve employee retention.

Another benefit of the stay interview is increasing employee productivity. "A happy employee is a productive employee," is often quoted for a reason; that's because it is true. One of the goals of the stay interview is that it promotes employee engagement and satisfaction.

More than the typical employee satisfaction surveys and questionnaires, stay interviews are more intentional, intimate, and interactive. For these reasons, they are usually more effective. Employees are more fulfilled when they work for an employer that cares about their needs and makes a marked effort to engage them in the improvement of company culture. With stay interviews, employers can assess the degree of employee satisfaction and engagement that exists in their company, and can take immediate and relevant steps to address concerns in order to promote employee happiness and, in turn, productivity.

BEFORE YOU ASK WHY

Even knowing all the benefits of a stay interview, it is important not to just jump into the process. Before conducting stay interviews, you need to ensure that you are implementing the best process for your organization. A few considerations to keep in mind:

WHO TO ASK

The scope of employees with whom you should conduct stay interviews will generally depend on your organizational structure and business needs. While the focus is mostly on key, valued employees, you can choose to broaden the target group according to your needs.

A typical target group for stay interviews are those highly skilled, high-performing, and high-potential

employees whose loss and replacement costs your business financially and otherwise. You can also focus on employee groups with the highest rates of turnover, as there may be unknown issues impacting that group.

WHEN TO ASK

Again, the nature of the business will dictate the frequency with which stay interviews can and should be conducted. A good rule of thumb is at least once a year, but it can be more frequent if your business model or turnover history calls for it. It is important to conduct these interviews around the same time for fairness and efficiency.

WHO DOES THE ASKING?

It is usual for the stay interview to be conducted by a direct supervisor or manager. This is because an employee's manager is usually the one that can most readily have an impact on the employee's everyday working conditions. It is also usually a more familiar relationship, so the employee can be candid and provide your organization with honest and useful information.

It is important to note, however, that the existing nature of the relationship between a manager and employee should be taken into consideration. If there is already a negative or distrustful relationship, you should strongly consider the alternative of using a Human Resources manager or outsourcing to an external agency.

YOU'VE ASKED...NOW WHAT?

Don't just talk the talk. Your organization must have the intention of following through before you decide to implement stay interviews. Once you start asking employees about what makes them stay and what it would take to continue to keep them, they expect to see evidence that there is an intent to do the things that they have suggested. Failing to follow through only

leaves disenchanted employees, which may leave you worse off than when you started.

CONCLUSION

The choice to incorporate stay interviews as an entirely new way to engage employees is not an easy one or one that should be taken lightly. But because stay interviews have the potential to positively impact employee retention, happiness, and productivity, you should strongly consider adding them to your operations. However, you should not proceed without considering all the potential implications of implementing stay interviews. If you need assistance with how to structure your stay interviews, contact your Fisher Phillips attorney.

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