CHAPTER VI

ORGANIZATIONAL EXIT
ORGANIZATIONAL EXIT:

Brief Introduction:

Organizational exits are possible on account of various reasons. These can be summarized as under:

- Recession in business.
- Changes in technology and production process.
- Joint ventures with foreign concerns.
- Implementation of re-engineering.
- Realignment of business.
- Takeovers and mergers.
- Total quality improvement.

How to organize organizational exits.

The various steps involved in managing organizational exits can be followed as under:

- Benchmark wage bills of organizations against the best organizations.
- Identify units, departments and plants, where wage bills are too high.
- Assess present manpower to find out the extent of surplus.
- Try to redeploy the surplus by expansion and diversification.
- Stop hiring in order to create room for redistribution of work force.

THE ORGANIZATIONAL EXITS AS A PROCESS

The implementation of the process of organizational exists can be on following lines.

- Make retirement schemes as attractive as possible.
➢ Prepare the plan for finding out which people can be eased out.

➢ People should be eased out without using pressure practice.

➢ Offer attractive Voluntary Retirement Schemes.

➢ Offer Compulsory early Retirement Schemes.

➢ Allot the job to Placement Agencies to find jobs for the people to opted for VRS and CRS Schemes.

Industrial units of Pimpri Chinchwad belt are compelled to adopt a harder approach as a surviving strategy. They are dealing with issues like severance package – golden handshakes, golden parachutes.

Exit interviews are required to be conducted to find out how well the exit was managed and those who stay back will have to be assured and motivated with new job definition and higher salaries. Organizational exits should be on going process which begins with hiring and never ends.

Chief Executive Officers and HR Managers of organizations should be prepared for a far more complex process of using out employees. It is utmost necessary for managing organizational exits in psychological and social manner by properly counseling the concerned employee.

Exit interviews will have to be conducted to find out the result of well-managed exit interviews. Those who are not eased out should be motivated with well laid down job description.
RESEARCH SURVEY DATA ANALYSIS

All Exits are Eye Openers

The Questionnaire for Organizational Exit was prepared by keeping in mind the following themes: -

1. There should be the most Human plan of man power reduction.

2. Down sizing of organizations should be done without the disturbing functioning of the organizations.

3. Always develop contacts and relationships with outgoing employees.

4. Express your sense of gratitude to them.

5. Identify individual problems and help them to settle them.

6. Exit interviews should be carried out in the best possible manner.

With the above themes in mind and also by considering recent trends and modules of training and development function, the questionnaire was carefully drafted. The questionnaire was sent to HR Professionals of Representative sample of Research. Their responses were collected. Their personal interviews were conducted and their responses to each question were discussed at depth. The responses of HR Professionals to each question are Tabularized and are classified into four categories viz.- 1. Very True 2. True 3. Partly True 4. Not True. Percentages were assigned ranging from 1 to 25, 26 to 50, 51 to 75 and 76 to 100 in an ascending order. The distribution table of responses was developed on the above basis and accordingly graphical representation of survey data is represented below each question item response was studied in details and accordingly inferences are drawn by representing survey data on scientific basis. The main issues of research survey are drawn and the same are discussed in the chapter in details. The detail of Audit of Survey Data is accordingly done in ensuing pages. This research topic is sympathetic issue for outgoing Human Beings. It is therefore necessary to analyze the survey data first and accordingly discuss the main issues of research survey to meet the purpose of research.
THE AUDIT

The interactions in the form of questionnaire and personal interviews were related to the 20 statements. Their evaluation is done as following scale

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There are 7 industrial units of representative sample of research and 20 questions of research. The responses are graphically represented as under:

**INFERENCES:**

All HR professionals of the seven units of Representative sample have given the responses, which lead to following inferences:

1. Most of the industrial units have introduced voluntary retirement scheme (VRS) for their employees.
2. Wherever VRS is introduced, there is no reason to conduct interviews of departing employees.
3. All the industrial units of representative research sample believe in organizational exit interview only for employees who are departing by submitting their resignation.
4. All the industrial units strongly believe that exit interviews are necessary to assess impact of wrong decisions and remedial measures thereof.
5. This is the negative process in nature, hence responses are further negative.

6. Pimpri – Chinchwad industrial belt units are not following retrenchment and lay off, instead they are directly trimming their work force, may be sometime by compulsory retirement scheme.

MAIN ISSUES OF RESEARCH SURVEY

The various challenges before organizational exit are summarized as under:

- There should be a plan for manpower reduction.
- Organizational down sizing should be managed without disturbing functional part of organization.
- There should be a clear and well laid down procedure for using out people.
- A care should be taken for motivating employee who are retained.
- There should be participation of employee in the decision to down size.
- Always develop some kind of contract and relationship with the people who are eased out.

EXIT INTERVIEWS:

This is the latest technique of conducting exit interview with the employees, who leave the organization by resigning from the services. Exit interview leads to a lot of insight in the matter of functioning of organization.

The perception of freedom to the resigning employee is so wide that he can depose the truth without bearing for anything. Exit interviews should be conducted by HR Managers to seek maximum possible information from outgoing executives.
EXIT INTERVIEW TECHNIQUE:

Exit interviews should be conducted in a free and fair manner whose ground rules so as to develop maximum possible interaction from the departing person. The interviewer should take following steps so as to make exit interview effective.

- Always set ground rules.
- Appraised on the mind of interviewee the purpose of interview.
- Do analysis of reasons for leaving.
- Discuss with interviewee, his future plans and the new job so as to promote his interest.
- Wish him best of luck in his next assignment.
- Write the details of feedback and understand the basis of his responses.
- Tabularize the feedback details on regular basis.
- Analyze the type of responses.
- Understand the weaknesses pointed out by him.
- Identify his individual problems.
- Implement necessary correction in company policy and working.
- Express thankfulness to be interviewee.

COMMON QUESTIONS OF EXIT INTERVIEW:

The Researcher has inquired about pattern of questions normally asked in exit interview with HR professionals of Representative Sample of research industrial unit. The details of common questions are as under:

- Was the job challenging? What was the satisfaction level? Did it have value to you?
Was the place of posting convenient? Was the working environment congenial?

What are the major strengths of organization?

What are the weaknesses you noticed in the functioning of organization?

What was your responsibility and growth level?

Whether your career was planned?

What was your relationship with your superior and subordinate?

What changes you propose to suggest?

How is your new job? Are you happy with the new job?

Would you like to rejoin our organization? What are the reasons of your rejoining? Or not?

What was the real reason of your resignation?

The above set of questions is normally asked to the resign employee and proper analysis is made of his responses. And accordingly, corrections are carried out in existing policies of organization.

THE REASONS OF SUCCESS OF EXIT INTERVIEW:

An interviewer should take following care while carrying out exit interviews for gaining success.

- He should be a good listener and maximum time of interview should be utilized as a listener.
- He should develop pleasant atmosphere for interview and should have strong body language and eye contact with interviewer.
- He should not express feelings for sensitive questions.
- The discussion during the interview should be constructive.
INTERVIEWER SHOULD NOT DO THE FOLLOWING:

- Criticism about company should not be reacted.
- More emphasis should be given to the interviewee’s new job.
- Counseling the interviewee for rejoining organization.
- Ask such questions which will irritate the interviewee.

MERITS

- Effective feedback can be obtained from the departing employee in terms of functions of organization and working atmosphere.
- Always evaluates strength of Human Resources Management.
- Establishes link with departing employees.
- Gives the details of recruitment practices of other.
- Develop responsive organization culture.

DEMERITS

- May be wrongly used to hold back the departing employee.
- Honest responses may not come due to psychological fear.
- There will be more criticism than any development.
- May create bad impression is conducted erroneously.

Organizational exits are a negative process and do not warrant more emphasisation. The only major factor of organizational exits is detailed exit interview so as to have right data to amen existing policies to limit departing employees.
The other issues of organizational exits like trimming the work force, replacing the CEPO, replacing the managers and voluntary retirement are not dealt in details as practices vary from company to company and there is no standardized procedure. However, there are standard practices, which can make organizational exits as a smooth function. These practices are summarized below:

1) Stop fresh hiring of workers to send the right message to the workers and their trade union.
2) Keep openhearted communication with all trade unions.
3) Remove doubts in the minds of workers and clear the atmosphere of suspicion.
4) Never use pressure tactics to intimidate workers into leaving.
5) Temper exit by ensuring that employee go with dignity.
6) Keep the decision secret until the successor has been identified.
7) Create a system of organizational exit.

MANAGING ORGANIZATIONAL EXIT

Organizational exit can be managed smoothly by adopting following methodology.

1. Counsel the employee.
2. Help the employee to develop right framework of mind.
3. Evaluate financial situation.
4. Assess psychologically.
5. Explore openings.
6. Shortlist companies where recruitment is possible and where employees can apply.
7. Ensure speedy clearance of employee’s dues.
VOLUNTARY RETIREMENT

Most of the organizations are introducing the voluntary retirement as human technique for down sizing the work force. The method often offers the workers lucrative. Severance package.

The organizations are giving voluntary retirement benefits on following lines.

- Three months emoluments for each completed year of service.
- The monthly emoluments at the time of applying for the VRS, multiplied by the number of months left before retirement.

BEST PRACTICES

1. It always gives lucrative settlement benefits
2. Allow specific department to be downsized.
3. Reduces wage bills appreciably.
4. It is the most humane method of downsizing organizations.

CONCLUSION

Most of the companies of Pune City and of Pimpri Chinchwad Industrial Belt have introduced voluntary retirement schemes and on the top of it compulsory retirement schemes.

The exit interviews therefore, should be carried out without reacting with out going employees.