

January 2008

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Cynthia S. Deale

East Carolina University, cindea56@yahoo.com

Lawrence D. Stalcup

Georgia Southern University

Sammuel Y. Todd

Georgia Southern University

David Earnhardt

Western Carolina University

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Recommended Citation

Deale, Cynthia S.; Stalcup, Lawrence D.; Todd, Sammuel Y.; and Earnhardt, David (2008) "The Use of Exit Interviews in the U.S Lodging Industry," *Hospitality Review*: Vol. 26 : Iss. 2 , Article 1.

Available at: <https://digitalcommons.fiu.edu/hospitalityreview/vol26/iss2/1>

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Abstract

This study investigated whether hotel managers systematically collected and analyzed data via employee exit interviews to determine why employees left jobs at their properties. Telephone interviews were conducted to determine whether exit interviews were conducted, what use was made of the interview data, and whether there was a relationship between the use of interviews and the level of turnover. Exit interviews appeared to be more common in larger properties and were used primarily for improving employment conditions, identifying problem areas, and providing closure for the employment relationship. There appeared to be an inverse relationship between the use of exit interviews and the level of turnover

The Use of Exit Interviews in the U.S. Lodging Industry

By Cynthia S. Deale, Lawrence D. Stalcup, Samuel Y. Todd and David Earnhardt

This study investigated whether hotel managers systematically collected and analyzed data via employee exit interviews to determine why employees left jobs at their properties. Telephone interviews were conducted to determine whether exit interviews were conducted, what use was made of the interview data, and whether there was a relationship between the use of interviews and the level of turnover. Exit interviews appeared to be more common in larger properties and were used primarily for improving employment conditions, identifying problem areas, and providing closure for the employment relationship. There appeared to be an inverse relationship between the use of exit interviews and the level of turnover.

INTRODUCTION

According to the Bureau of Labor Statistics, aggregate employee turnover in the United States has been rising (2006). In addition, the voluntary unemployment, or “quit rate,” has increased, as well (Westcott, 2006). For many years turnover in the hospitality industry has been viewed as a chronic problem (Hogan, 1992; Purdue, Woods, Elsworth, & Ninemeier, 2003; Wasmuth & Davis, 1983), for while the median job tenure of employees aged 16 and over in the United States was 4.0 years in 2006, that tenure was only 2.5 years in the accommodations sector and 1.4 years in food-and-beverage operations (Bureau of Labor Statistics, 2006). Most research has studied turnover in the hospitality industry as a macro problem (Milman & Ricci, 2004; Stalcup & Pearson, 2001; Hogan, 1992; Wasmuth & Davis, 1983); however, some researchers have suggested that identifying the causes of turnover in the hospitality industry at the property level is key to controlling the problem (Stalcup & Pearson, 2001; Wasmuth & Davis, 1983). It seems likely that each property has a different profile of the causes of turnover; therefore, a single approach to addressing turnover problems will have only a limited effect.

Exit interviews have been discussed as a management tool useful for identifying the causes of employee turnover at the property level (Feldman & Klaas, 1999; Purdue, Woods, Elsworth, & Ninemeier, 2003; Stalcup & Cannon, 2001; Woods & Macaulay, 1987). Researchers have described various types of, and methods for, conducting exit interviews (Stalcup & Cannon, 2001; Mok & Luk, 1995). However, little is known about how prevalent exit interviews are, how those exit interviews are being conducted, and how those results are being used. Furthermore, no research has indicated whether there is a statistical relationship between the use of exit interviews and the level of turnover. The purpose of the research being discussed here is to explore these questions.

BACKGROUND

Exit interviews are often formalities that serve a limited purpose and are not used as a strategic management tool (Elbo, 2006; Westcott, 2006). However, if taken seriously, exit interviews can provide businesses and associations data that can help them resolve issues in the workplace, such as improving employee retention, hiring practices, and training (Pounds, 2006; Purdue, Woods, Elsworth, & Ninemeier, 2003; Harris, 2000; Westcott, 2006). Effective exit interviews can provide clues to turnover based on employees’ perceptions of the selection process, orientation, first month on the job, compensation programs, the job itself, career options, management styles, and alternative work arrangements (Gordon, 1991). Exit interviews may also provide a means to help with the retention of seasonal employees, an important part of the hospitality workforce (Kleiman, 2005). In addition, interviews may be used to evaluate an organization’s ethical climate (Giacalone, Jurkiewicz, & Knouse, 2003), since a departing employee can provide the company with a wealth of impressions accumulated over his or her tenure (Kransdorff, 1995).

The exit interview may also impact how open and honest employees will be about their experiences. For example, researchers found that individuals were more likely to give their reasons for leaving a company accurately when exit questionnaire data were treated confidentially and used in aggregate form (Feldman & Klaas, 1999); the anonymity protected employees from negative evaluations by supervisors. In another study, results of a role-playing scenario concerning exit interviews revealed that more positive feelings toward the interviewer, the company, or both tended to yield greater employee willingness to discuss sensitive issues (Knouse & Giacalone, 1999).

Exit interviews may be conducted in writing, online, or orally (Stalcup & Cannon, 2001). Written interviews have tended to have a lower response rate (Brewster, 1995), while there is the belief that oral interviews may be more meaningful because people often speak better than they write and are willing to share more orally (Kransdorff, 1995). Companies have found that the online format has increased the response rate for exit interviews and may allow employees to feel more comfortable about sharing their true opinions and experiences; this may be due to the relative anonymity that cyberspace seems to provide (Brewster, 2005). For example, Sedgwick Claims Management Services, an insurance claims company, reported that three out of four employees completed the exit interview in an online format, a much higher response rate than is seen with most face-to-face interviews and almost double the response rate of pencil-and-paper surveys (Brewster, 2005).

Studies of the use of exit interviews specifically in the hospitality industry have been limited but have produced some interesting results. In a study of exit interviews in six non-hospitality firms, nine hotel firms, six institutional food-service companies, and six restaurant chains, Woods and Macaulay (1987) found that the hotel chains regularly used exit interviews but the food service companies did not. However, although seven out of nine hotel companies interviewed employees at all levels, usually on their last day of work, they did not use the information in their operations to improve training programs or make changes (Woods & Macaulay, 1987).

In a study of 39 hotels in Hong Kong, 35 performed exit interviews and 69% of those conducting interviews questioned all employees leaving their jobs, whether for voluntary or involuntary reasons. The remaining hotels interviewed only those employees leaving voluntarily (Mok & Luk, 1995). In the study of the use of exit interviews in Hong Kong-based hotels, the researchers found that 80% of the interviews were conducted by the personnel department, and those remaining were conducted by the employee's supervisor. Virtually all of the interviews (97%) lasted no longer than 30 minutes (Mok & Luk, 1995). Data collected through the hotel interviews included information on the reasons for leaving; overall job satisfaction; volume of work performed; quality of supervision; working conditions; and nature and hours of work, salary, and benefits. Ninety-one percent asked employees for their new job titles, 74% asked about the main attractions of their new jobs, and 77% asked for recommendations for improvement, while less than 50% wanted to know whether the departure from the job could have been prevented and whether the employee would return in the future (Mok & Luk, 1995). In the Hong Kong hotel study, 89% of the hotels used a standard format for the exit interviews for staff positions, and 73% used a standard format for managers. Primary uses of the exit interview data included analyzing the perceived reasons for leaving (89%) and identifying organizational problems and formulating solutions (74%). However, the majority of those interviewed indicated that there was little change in hotel operations as a direct result of the information gathered through exit interviews (Mok & Luk, 1995).

In a study of the use of exit interviews in private clubs, Purdue, Woods, Elsworth, and Ninemeier (2003) found that roughly 60% of the clubs conducted exit interviews. In most cases, the interviews were conducted in person by a human resources manager or the general manager. The most frequently mentioned uses of the results were to identify problems, recognize training

needs, and adjust operations to meet employee needs. Forty-one percent of the respondents indicated that completing the employee's file was a primary purpose (Purdue, Woods, Elsworth, & Ninemeier, 2003).

The previous discussion described past studies of the use of exit interviews in the hospitality industry, but little is known about the use of exit interviews in the U.S. lodging industry of the twenty-first century. The study discussed here addresses this topic by examining the following research questions (RQs):

- RQ 1. How prevalent is the use of exit interviews in hotels?
- RQ 2. How are the interviews conducted?
- RQ 3. What data are collected?
- RQ 4. How are exit interviews used?
- RQ 5. Is there a relationship between the use of exit interviews and
 - a. turnover rate in hotels?
 - b. size, such that larger hotels use exit interviews more often than smaller hotels?
 - c. the presence of restaurants, such that hotels with restaurants use exit interviews more than those without?

METHOD

A structured interview was developed to address the five aforementioned research questions. The teletelephone interview was pre-tested on five subject-area experts. Other than some modifications to the wording, no significant changes were made. Five participants were interviewed, and researchers reviewed the results. No modifications were made in the structured interview.

The interview opened with questions about the lodging property's size, type (full- or limited-service), location, and number of employees. Next the participants were asked about the level of turnover in their property. Some managers consider turnover to be a sensitive topic because it may indicate the quality of their property's management (Stalcup & Pearson, 2001); therefore, the level of turnover was asked as a categorical question (high, medium, or low) similarly to the way sensitive variables, such as age and income, are gathered. The levels were self-determined by the participants. This was clearly subjective and therefore less reliable. However, the researchers believed that it was critical to make the question as non-threatening as possible. Even with this precaution, 18 (19.1%) participants either declined to answer or indicated that they did not know the answer. The participant at each lodging operation in the study was then asked whether exit interviews were conducted with employees when they left employment at the property. If the respondent indicated that exit interviews were not conducted at the property, then the teletelephone interview was concluded. If the participant answered in the affirmative, then he or she was asked a series of questions about what data were collected, what the purposes of the interviews were, how the exit interviews were conducted, who conducted the interviews, and who was interviewed. The average teletelephone interview lasted between 15 and 20 minutes.

SAMPLE DESCRIPTION

A non-random sample of hotels was drawn using researchers' contacts and Internet searches. The hotels selected were located in 9 states and 61 different ZIP code areas; the majority was located in the Southeast. Ninety-six properties were contacted by teletelephone. Ninety-four (97.9%) agreed to participate. The interviews were conducted with either a human resources manager or another manager, such as the general manager, who carried out the human resources function.

When respondents were asked to describe their properties, they indicated that their U.S. lodging operations ranged from limited-service chain properties to full-service luxury hotels.

Twenty-eight (30%) of the properties were full-service hotels, 48 (51%) were limited-service operations, and 9 (10%) were all-suite hotels. Forty respondents (42.6%) indicated that there was a restaurant on the property. Locations of the properties varied, with 36% placed along highways, 18% positioned downtown, 10% established near an airport, and 35% situated in other locales.

To conduct the teletelephone interviews more easily, the researchers divided the lodging property characteristics into low, medium, and high categories. In terms of size, 22 respondents identified their hotels as small properties (possessing 0-100 rooms), 42 said that their properties were medium sized (possessing 101-250 rooms), and 17 considered their hotels to be larger properties, with 250 or more rooms. With respect to the number of employees, the lodging properties varied: 59 had between 1 and 100 employees (identified for the purposes of the study as the low category), 17 had between 101 and 250 employees (identified as the medium category), and 9 had 251 or more employees (viewed as the high category). In each case, some participants declined to answer.

As mentioned previously, employee turnover information was collected as a categorical variable, classified into low, medium, and high categories. Thirty-eight respondents (50% of those reporting) indicated that their property's turnover rate was low, 26 (34.2%) noted that their turnover was medium, and 12 (15.8%) reported that their turnover rate was high; eighteen (19.1%) either declined to answer or claimed not to know.

RESULTS

Research Question 1

Data were collected to determine how many hotels conducted exit interviews. Of the 94 survey respondents, 62 (66.0%) indicated that they conducted exit interviews at their properties, while 32 (34.0%) did not use them.

Research Question 2

Data were collected to determine the methods hotels used to conduct exit interviews. Of the 62 properties conducting interviews, 50 respondents (80.6%) specified that they performed structured interviews at their properties, while 12 (19.4%) carried out unstructured interviews. Interestingly, study participants at 49 properties claimed to interview all employees who leave, while 13 respondents said that only selected employees were interviewed at their hotels.

The type of exit interview varied; most commonly they were conducted in person (54; 70.1% of responses). They were also completed online (2; 2.6% of responses), through telephone interviews (7; 9.1% of responses), and by survey (14, 18.2% of responses). (Some used more than one technique.)

The interviews were conducted by the general manager (23; 37.1), a human resources manager (21; 33.9%), the employee's supervisor (11; 17.7%), or another manager (7; 11.3%).

Research Question 3

The respondents were asked an open-ended question about what materials were collected through the exit interviews. The researchers used content analysis to analyze the responses. These results were reviewed by an outside subject-area expert who was not otherwise associated with the project. Themes identified more than once are summarized in Table 1.

Table 1

Responses to the question: “What material is collected during an Exit Interview?”		
Information cited	# of Responses	% *
Reasons for leaving	33	53.0
Suggestions for improvements to the job or property	15	24.2
Employee likes and dislikes of the job (Job satisfaction)	13	21.0
The quality of the supervisor	6	9.7
Quality of training	5	8.1
To determine eligibility for rehire	4	6.5
Review of compensation and benefits	4	6.5
Collection of employee materials	3	4.8
(Answers mentioned more than twice; Multiple answers were permitted)		
*based on the % of participants who conduct exit interviews		

Research Question 4

Respondents were asked the open-ended question “What are the results of the interviews used for?” Again, the researchers analyzed the responses using content analysis. The results were reviewed by an outside subject-area expert who was not otherwise associated with the project. Themes identified more than once are summarized in Table 2

Table 2

Responses to the question “What are the results of the interviews used for?”		
Information cited	# of Responses	% *
To identify areas for improvement	17	27.4
For record keeping purposes	11	17.7
To determine eligibility for rehire	11	17.7
To adjust wages	8	12.9
To identify issues with supervisors, or within departments	7	11.3
To improve training	6	9.7
To make improvements in recruitment and retention	5	8.1
For tracking turnover	4	6.5
(Answers mentioned more than twice; Multiple answers were permitted)		
*based on the % of participants who conduct exit interviews		

Research Question 5 a

Data were collected to explore the relationship between the use of exit interviews and the level of turnover in hotels. Data were analyzed with a cross tabulation between turnover rate (categorical) and the dichotomous item of “are exit interviews conducted.” Findings suggested that as the turnover rate increased, the frequency with which hotel managers conducted exit interviews decreased ($\chi^2 = 14.6, p < .01$). This suggested that conducting exit interviews is associated with a lower turnover rate.

Research Question 5 b

Data were also collected to explore whether employers in larger hotels conducted exit interviews more often than those in smaller properties. A cross tabulation between room size (categorized into high, medium, and low) and the dichotomous item “are exit interviews

conducted” was used to analyze this research question. Findings suggested that those in larger hotels conducted exit interviews more often ($\chi^2 = 5.78, p < .05$).

Research Question 5 c

Finally, data were collected to explore whether managers in hotels with restaurants conducted exit interviews more often than those in hotels without restaurants. Findings suggested that managers in hotels with restaurants conducted exit interviews more often than those in hotels without restaurants ($\chi^2 = 3.99, p < .05$).

DISCUSSION AND CONCLUSION

The findings from this research suggest that exit interviews are a common human resources tool in the hotel industry, particularly in larger, more complex hotels (i.e., those containing restaurants). The majority are structured interviews conducted in person by a human resources specialist or general manager. A somewhat surprising finding is the high number of interviews conducted by the employee’s supervisor (17.7%). Presumably the departing employee’s supervisor would have a major impact on the employee’s working conditions and job satisfaction. Therefore, the supervisor may have a vested interest in the results of the exit interview. It seems likely that this might affect the reliability of the interviews.

The acceptance of exit interviews as a useful tool is far from universal. Several employees contacted did not know what exit interviews were and thought the researchers were referring to interviews for hiring purposes. One respondent at a hotel with a high immigrant employee population conducted exit interviews only if the employee spoke or read English, and several respondents indicated that employees regularly deserted the job without notice, eliminating the possibility of an exit interview.

The interviews appeared to be used for two general purposes. The most common responses focused on improving employment conditions and identifying problem areas. The other common reason for the interviews was to provide closure for the employment relationship by collecting employer materials and completing the employee’s personnel file.

There appeared to be an inverse relationship between the use of exit interviews and the level of turnover. This is the first time a relationship has been statistically supported. It is impossible to determine whether this is a casual relationship. An alternative explanation is that employers who use exit interviews are also more attentive to the needs of their employees.

There is little evidence that the data from the exit interviews are being analyzed systematically and longitudinally. When managers at a lodging property are able to gather exit data from a significant number of departing employees over a period of time, they can look at the trends in the data (Pounds, 2006). It seems likely that this step could significantly enhance the usefulness of the exit interview process.

The manner in which the interviews are conducted seems mired in the traditional face-to-face format. Only 2.6% reported using online or computer-based interviews. The next logical step towards effectively analyzing the reasons employees leave would appear to be the development of standardized online interviews. Such interviews would offer several functional and administrative advantages. First, they would promote the feeling of anonymity that appears to be important when soliciting open responses to sensitive subjects. They also would potentially improve the reliability of the interview by eliminating the human element of the interviewer’s interpretation of the employee’s responses. Online exit interviews would also allow departing employees to complete them at their convenience. Furthermore, structured online interviews would eliminate the need to train managers to conduct exit interviews. This might be particularly helpful for companies with small properties and limited on-site management personnel. Finally, the computer-based responses would be easier to aggregate quickly so that they could be analyzed more completely. However, there are potential drawbacks to the use of

online interviews. The most obvious one is that a large portion of the hotel industry workforce is not well educated and may lack the technical ability to complete the interviews. In addition, online responses may be shorter and less detailed than those received via in-person interviews, and therefore not as helpful for providing rich data needed to determine ways to retain employees and prevent turnover.

In the end, there are no panaceas. If hotels are to control the inefficiencies caused by rampant turnover, their management teams will need to collect and analyze reliable data on why employees are leaving. Then, most importantly, they will need to create jobs worth keeping.

LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

There are some limitations to this research. First, as stated above, the sample was not randomly selected from the population. As a result, although the respondents came from 61 different ZIP code areas, the generalizability of the findings is somewhat limited.. Second, the use of a self-reported, categorical variable for the level of turnover may have affected the internal validity of the results. However, it is also true that managers could have been more inclined to select a category that fit their turnover as opposed to reporting a specific figure, which factor would have injected an unwanted element of social desirability into the study.

A logical next step in the research would be to conduct a controlled experiment by introducing exit interviews in one or several hotels that do not currently use them. While the project would be time consuming, the results could be extremely interesting and useful. Another project would be to develop generic, computer-based, structured interviews that could be adapted and utilized by managers working in properties without the resources to develop their own. Whatever research is undertaken, there is still much to be learned about how exit interviews can be used as effective management tools.

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Cynthia S. Deale is Associate Professor, Hospitality Management, East Carolina University; **Lawrence D. Stalcup** is Associate Professor, Hotel and Restaurant Management, Georgia Southern University; **Samuel Y. Todd** is Assistant Professor, Department of HTFCS, Georgia Southern University; **David Earnhardt** is Graduate Student, Western Carolina University