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**USE OF STAY INTERVIEWS AS A RETENTION TOOL FOR KEY TALENT**

**A Research Project**

**Presented to the Faculty of**

**The George L. Graziadio**

**School of Business and Management**

**Pepperdine University**

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**In Partial Fulfillment**

**of the Requirements for the Degree**

**Master of Science**

**in**

**Organization Development**

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**by**

**May Roberts**

**August 2017**

This research project, completed by

MAY ROBERTS

under the guidance of the Faculty Committee and approved by its members, has been submitted to and accepted by the faculty of The George L. Graziadio School of Business and Management in partial fulfillment of the requirements for the degree of

MASTER OF SCIENCE  
IN ORGANIZATION DEVELOPMENT

Date: August 2017

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## **Abstract**

Rapid changes within the global market have intensified the shortage of experienced talent. Employee turnover remains a major threat to companies worldwide. This study examined the use of stay interviews for retaining key employees from the perspective of managers. Nine leaders who manage key talent were interviewed about what measures they currently take to retain key employees and their perspectives about using stay interviews to increase the retention of key employees. The resulting data were examined using content analysis. Study findings indicated that managers at the case organization currently engage in four activities to retain key talent: fostering employees' productivity and development, providing rewards and recognition, disseminating organizational information, and offering professional and personal support. Managers believed that stay interviews enhance retention of key talent through a number of mechanisms such as helping employees feel valued, cultivating supportive managerial behaviors, and building strong supervisor-subordinate relationships.

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## **Chapter 1**

### **Introduction**

The rapid and ongoing changes occurring within the global market concerning technology, market competition, and social media have intensified the ongoing shortage of experienced talent (DeYoung, 2000; Evans, Gonzalez, Popiel, & Walker, 2000; Storey, 1992). As a result, employee turnover is a major challenge facing companies globally.

Turnover is influenced by many factors, including external economic forces, competition, business performance, culture, leadership, and others. For example, business downturn often leads to high turnover as people become concerned about the future of their employment and seek other career opportunities. Organizations increasingly use aggressive recruitment tactics to attract talent in the present highly competitive labor market. Employees also tend to leave employers when they are not satisfied. Moreover, shifts in social attitudes have removed the stigma of job switching, making it more acceptable for employees to move from job to job. These factors and more leave employers struggling to retain their valuable employees, and many organizations lose high performers with critical skill sets. The result is a significant and adverse impact on long-term business sustainability.

Turnover is costly for organizations due to direct and indirect costs associated with losing and replacing talent (Allen, Bryant, & Vardaman, 2010; Chhabra & Mishra, 2008; Huang, Lin, & Chuang, 2006). Chhabra and Mishra (2008) stated that “the corresponding costs to the firm with regard to employees quitting the organization and the subsequent hiring or replacement of employees can be quite significant in terms of personal, work-unit and organizational readjustments” (p. 50). Allen et al. (2010)



acknowledged that the costs associated with recruiting, selecting, and training new employees often exceed the yearly salary for the position being filled, and that the direct costs, work disruptions, and losses of organizational memory and seasoned mentors associated with turnover are significant issues that underscore the importance of employee retention. These costs are particularly high when the organization loses key talent. McDonnell, Gunnigle, Lavelle, and Lamare (2016) defined key talent as employees who may be identified as critical to a firm's organizational learning and core competence, such as research staff, product designers, major account handlers, or developers of new markets.

The strategic human resource management literature proposes that many benefits result from preferentially focusing on those employees who have the greatest capacity to enhance firm performance and competitive advantage. Resource-based theory contends that sustainable competitive advantage can be achieved through the development of internal resources that are valuable, rare, and difficult to imitate (Barney, 1995). Such resources may include “all of financial, physical, human, and organizational assets used by a firm to develop, manufacture, and deliver products or services to its customers” (p. 50).

Although much research has been conducted on the topic of retention from the perspectives of employee engagement, job satisfaction, and organizational culture, very few studies are available related to the impact of stay interviews on retention rates. The *stay interview* is defined as an intentional dialogue initiated by a manager and held with his or her direct report for the purpose of building a transparent relationship regarding the employee's intentions to stay with the employer. A particular focus in this study was managerial perspectives of the stay interview relative to retention.

## **Study Purpose**

The purpose of this study was to examine the use of stay interviews for retaining key employees from the perspective of managers. Two research questions were explored:

1. What measures do managers at the study organization currently take to retain key talent?
2. What are managers' perspectives related to using stay interviews to enhance retention of key talent at the study organization?

## **Study Setting**

This study was conducted at a large aerospace organization headquartered in the United States. The leadership team within the study organization identified 20 high-performing individuals who possess critical domain skill sets for the department and, thus, pose a high departure risk. These individuals are engineers and range in age from 25 to 35. Most are in the early stage of their careers and have 5-8 years of work experience. This group is already the focus of a long-term retention strategy at the study organization. Some departments within the global organization currently utilize stay interviews, although the specific department included in this study does not.

## **Definitions**

1. Intention to stay: an employee's desire and plan to continue employment with his or her current employer for the foreseeable future.
2. Key talent: an employee who demonstrates high performance and who possesses skills that are considered critical to the employer.
3. Stay interview: an intentional dialogue initiated by a manager and held with his or her direct report for the purpose of building a transparent relationship regarding the employee's intentions to stay with the employer. During this conversation the employee is encouraged to express his or her concerns, desires, and intentions as they pertain to the employee's ongoing career interest with the company.

## **Organization of the Study**

This chapter provided the background and purpose for the study. The study setting and a list of key definitions also were provided.

Chapter 2 provides a review of theory and research relevant to the present study. Theory and research related to employee retention was reviewed first, including its definition and a discussion of the importance of retention, the importance of key talent, influences on turnover and retention, and approaches for enhancing retention. Stay interviews also are discussed.

Chapter 3 describes the methods that were used in this project. The research design and procedures related to participant selection, confidentiality and consent, data collection, and data analysis are described.

Chapter 4 reports the results of the study. Participant demographics are presented followed by the results organized by research question. Key themes emerging from the data for each research question are described.

Chapter 5 provides a discussion of the study results. Key findings and a summary of findings are presented first. Conclusions, recommendations, study limitations, and suggestions for continued research are then offered.

## Chapter 2

### Literature Review

The purpose of this study was to examine the use of stay interviews for retaining key employees from the perspective of managers. Theory and research related to employee retention is reviewed first, followed by a discussion of stay interviews.

#### Employee Retention

*Employee retention* is generally defined as an organization's voluntary actions to create an environment that encourages and motivates people to remain with the entity for a maximum period of time (Aldamoe, Yazam, & Ahmid, 2012). Cascio (2003) added that such actions may include rewards for performance; promoting harmonious working relationships between employees and managers; and maintaining a safe, healthy work environment.

Huang et al. (2006) explained retention from the employee's viewpoint using the lens of human capital theory. The researchers elaborated that employees decide whether to stay at an organization based on their assessment of the costs and benefits of doing so. If the current value of staying (after accounting for the monetary and psychological costs of doing so) exceeds the potential benefits of leaving, employee retention will occur. Conversely, if the returns associated with turnover surpass the monetary and psychological costs of leaving, employees will be motivated to shift jobs.

According to *HR Focus*, the improved economy, fast-changing market dynamics, increasing globalization, mobility of the workforce, and persistent low employee satisfaction across workplaces has culminated in a serious talent shortage ("Retention," 2005). It follows that turnover rates are rising. A 2004 survey by the Society of Human Resources Management and Career Journal.com found that the majority of current

employees are either actively (35%) or passively (40%) seeking a new job at any given time. A survey by Gallup additionally found that more than half of U.S. workers are either not engaged (52%) or actively disengaged (18%), resulting in lowered productivity. Tan and Kaye (2013) associated engagement with increased effort and retention.

**Costs of turnover.** Huang et al. (2006) noted that turnover is costly for employees and employers alike. Employees incur monetary and psychological costs when they switch jobs as they adjust their personal and professional routines, lose valued mentors and other relationships, form new relationships, and strive to create a track record at a new employer.

Employers also incur substantial direct and indirect costs when they lose an employee (Chhabra & Mishra, 2008). Such costs include those associated with recruiting, selecting and training new employees; work disruptions due to the personal, work unit, and organizational readjustments needed to accommodate to personnel shifts; and losses of organizational memory. Allen et al. (2010) pointed out that these costs often exceed the annual salary for the position being filled. The substantial costs of turnover underscore the importance of retaining valued employees, referred to in this study as key talent.

**Importance of key talent.** The importance of key talent to an organization may best be understood in light of the Resource-Based View of the firm, which focuses on the value creation resulting from employee characteristics and skills (Tzafrir, Baruch, & Dolan, 2004). Moreover, this theory emphasizes that the employee skills critical to the organization's competitiveness and productivity yield high returns and thus should be developed and maintained, while skills of minimal value or tangential value should be

outsourced. Other authors point out that employees' critical skills may be difficult for competitors to imitate, further bolstering organizational competitiveness and profitability (Haar & White, 2013). It follows that organizations should strive to retain employees with those critical skills through various internal processes, strategies, and practices such as work-life programs, human resource management systems, employee career development programs, job enrichment initiatives, and promotion opportunities (Ortlieb & Sieben, 2012).

**Influences on turnover and retention.** Price and Muller (1981) composed a Causal Model of Turnover by exploring the many factors that influence an employee's decision to leave, including job satisfaction, opportunity, kinship responsibility, general training, job involvement, positive/negative affectivity, distributive justice, job stress, pay, promotion chances, routinization, and social support. Price and Muller further conceptualized organizational commitment as a mediator between job satisfaction and intention to leave. Factors believed to increase turnover intentions include perceived external job opportunities and job stress (which lowers job satisfaction). Factors believed to decrease turnover intentions include kinship obligations, job involvement (which increases job satisfaction) and positive affectivity (which increases job satisfaction).

**Approaches for enhancing retention.** Several approaches have been examined and developed to enhance employee retention. Such approaches focus on training and development to give employees the opportunity to grow their skills and experiences while staying at the same employer (Chhabra & Mishra, 2008). For example, comprehensive mentoring programs and superior career visibility have aided employees in becoming aware of and become eligible for growth opportunities.

Other approaches involve listening to employees and taking measures so they feel valued (Chhabra & Mishra, 2008). These tactics include “re-recruiting” top performers before they get better offers from competitors, using employee surveys to gather feedback, adjusting management styles to cater to younger talented employees, and utilizing formal and informal tactics of listening to employee concern.

Still other approaches may be considered contingency measures to stem the loss of organizational memory when turnover inevitably occurs. These tactics include instituting formal knowledge transfer mechanisms and exploring various work options for retirement-age employees to allow the organization to retain their knowledge and expertise (Chhabra & Mishra, 2008). The next section examines yet an emerging retention tactic: the stay interview.

### **Stay Interviews**

When employees leave the organization, a common practice is to conduct an exit interview to formally close the employment relationship, collect company materials, complete administrative forms, and gather feedback and insights for the purpose of stemming future turnover (McGraw, 2016). However, at this point, turnover of at least one person has already occurred, indicating that this intervention comes too late in the process (Kaye & Jordan-Evans, 1999).

An emerging practice in human resources, therefore, is the stay interview, defined as an intentional and periodic dialogue initiated by a manager and held with his or her direct report for the purpose of building a transparent relationship regarding the employee’s intentions to stay with the employer (McGraw, 2016; Sullivan, 2013). During this conversation, the employee is encouraged to express his or her concerns, desires, and intentions as they pertain to the employee’s ongoing career interest with the company.

The manager then uses this information to adjust workplace conditions, as possible, to promote retention. This proactive approach to employee turnover seeks to avoid the loss of employees before it happens.

Stay interviews may be understood from the lens of social exchange theory articulated by Homans (1961) and Blau (1964). According to Homans, social exchange is a particular type of behavior between two people wherein one person's action is rewarded or punished by the behavior of the other person. In the case of the stay interview, the social exchange of the manager expressing concern about the employee's needs and desires is rewarded by the employee sharing those needs and desires, which in turn is rewarded by the manager addressing those needs and desires. The norm of reciprocity or repayment (Cropanzano & Mitchell, 2005) is a persuasive and significant social norm that impacts much of human social interactions. It follows that stay interviews shift the nature of the employer-employee relationship from one of tasks and key performance indicators to a focus on the valued employee. The shift from a technical to a caring relationship makes a pivotal difference in enhancing employee loyalty and engagement (Tan & Kaye, 2013).

**Stay interview process.** Stay interviews involve a list of questions designed to help managers learn more about their employees' job satisfaction and intention to leave. Sullivan (2013) advises managers to ask valued employees early and often about what matters to them. As an article in *Harvard Management Update* ("A New Retention Strategy," 2001) pointed out, managers cannot know how well they are doing with their employees until they ask.

In this way, stay interviews uncover what really matters to key employees—whether those concerns deal with salary, benefits, autonomy, supervisor-subordinate



relationships, the nature of the work, or something managers may not even realize. Stay interview responses enable managers to address factors that significantly increase employee discretionary effort and retention—before the employee decides to leave (Curry, 2012). Kaye and Jordan-Evans (1999) urged managers to sit down with employees face-to-face and one at a time to clearly explain each employee's importance to the company and determine how they can retain him or her.

**Impact of stay interviews on retention.** Human resources executives have identified the regular collection of employee feedback as a key strategy for retaining talent and reducing turnover (McGraw, 2016). According to a survey by Challenger, Gray & Christmas, a Chicago-based outplacement and executive coaching firm, 27% of the 100 human resources executives it polled reported their organizations conduct stay interviews, while another 24% stated their companies intend to start this practice in the near future (cited by McGraw, 2016).

The primary reason people leave their jobs is dissatisfaction with their supervisor (Herzberg, 1987). This involves both the relationship and lack of emotional connection and trust with their bosses. Both of these important relationship attributes that critically lead to job satisfaction and retention can be built when managers initiate regular conversations with their employees about what the employees believe is important (Sullivan, 2013).

## **Summary**

This chapter reviewed literature relevant to the present study. Theory and research related to employee retention was reviewed first, followed by a discussion of stay interviews. The present research built on this existing body of knowledge by providing insight and creating awareness of the importance of utilizing stay interview practices

throughout the organization. The next chapter describes the methods that were used in this study.

## **Chapter 3**

### **Methods**

The purpose of this study was to examine the use of stay interviews for retaining key employees from the perspective of managers. Two research questions were explored:

1. What measures do managers at the study organization currently take to retain key talent?
2. What are managers' perspectives related to using stay interviews to enhance retention of key talent at the study organization?

This chapter describes the methods used in the study. First, the research design is described. Then procedures and process relating to recruiting participants, assuring confidentiality and consent, and collecting and analyzing data are discussed.

### **Research Design**

The research utilized a qualitative research interviewing design. This approach enabled deep inquiry into the experience of the stay interview and its effect on employees' decisions to stay in the organization (Creswell, 2014).

### **Participants**

The study population for this research project consisted of the leadership team of one department at a large aerospace organization headquartered in the United States. An informal meeting was held with the department leaders to present the study and invite their participation. This meeting also was designed to build a sense of trust, respect, and psychological safety as well as to build rapport with the leaders. To establish the credibility of the study, the executive of the study organization presented the study. After the meeting, leaders were contacted by email to schedule a research interview. When nine interviews were conducted, participant recruiting was considered complete.

### **Confidentiality and Consent Procedures**

This study was conducted within the oversight of the company's institutional review board and the Pepperdine University institutional review board. All human subjects protections were observed. All data remained confidential and data were only reported in aggregate. Participants were informed regarding the intent, nature, and procedures for the study and for protecting their anonymity. Participation was entirely voluntary and participants had the right to withdraw from the study at any time. No hard copies of the data were produced and electronic versions of data were deidentified and will be kept indefinitely for research purposes.

### **Data Collection Procedures**

A one-on-one in-person interview was scheduled and conducted onsite in a private conference room with each leader participant. The meeting began with reviewing and signing the consent form (see Appendix A). Interview data were captured via typed notes as each interview was conducted.

The interview script presented in Appendix B was used to guide the conversation. The conversation began with reiterating the purpose of the interview and the voluntary and confidential nature of participation. The 12-item script was organized into four sections. First, three demographics and opening questions gathered basic information about the participant and his or her views about the company's ability to retain key talent. The next four questions inquired about the participant's current efforts and thoughts related to retaining key talent. The third set of questions examined participants' viewpoints regarding the use of stay interviews for retaining key talent and how they might be best implemented in the study organization. The final question was a catch-all

question to gather any additional insights from the participants regarding retention or stay interview.

### **Data Analysis Procedures**

The interview data were content analyzed using the following procedures (Miles, Huberman, & Saldaña, 2013):

1. Interview notes were reviewed to gauge the range and nature of the data.
2. Data were organized by question. Answers from all participants were reviewed in aggregate and key themes for each question were identified.
3. The number of participants reporting each theme was calculated when the analysis was complete.
4. The final analysis was examined by a second coder to enhance validity.

### **Summary**

This qualitative study involved interviews with nine leaders who manage key talent. Participants were asked what measures they currently take to retain key employees and to offer their perspectives about using stay interviews to increase retention of key employees. The resulting data were examined using content analysis. The next chapter reports the results.

## Chapter 4

### Results

The purpose of this study was to examine the use of stay interviews for retaining key employees from the perspective of managers. Two research questions were explored:

1. What measures do managers at the study organization currently take to retain key talent?
2. What are managers' perspectives related to using stay interviews to enhance retention of key talent at the study organization?

This chapter reports the results of the study. Participant demographics are presented first, followed by findings for each of the research questions.

#### Participant Demographics

Nine participants were involved in the study. Participant tenure ranged from 10 to 40 years ( $M = 23.7$ ,  $SD = 9.2$ ). Participant tenure in leadership roles ranged from 1 to more than 15 years ( $M = 7.7$ ,  $SD = 9.2$ ). Participants had, on average, 13 direct reports—6 of which were considered key talent (see Table 1).

**Table 1**

#### *Participant Demographics*

Participant Tenure	n	Number of Direct Reports	n
Total at Company		Total Direct Reports	
10-19.99 years	4	1-9	3
20-29.99 years	2	10-19	4
30-39.99 years	3	20 or more	2
Mean = 23.7, SD = 9.2		Mean = 13, SD = 8	
Tenure in Leadership Role		Total Key Talents	
1-4.99 years	5	1-2	3
5-14.99 years	2	3-5	2
15 or more years	2	6-10	4
Mean = 7.7, SD = 9.2		Mean = 6, SD = 4	

$N = 9$

## Retention Measures Used

Participants were asked to describe their concerns about the talent shortage and their ability to retain key talent. Participants believed two external factors affect their ability to retain key talent: (a) nature and amount of work and (b) financial constraints (see Table 2). Regarding the nature and amount of work availability, five participants stated that due to the severe business downturn, there are not enough assignments to keep key talent utilized and continually motivated to stay. One participant stated that there is simply not enough challenging assignment to keep them challenged and motivated.

**Table 2**

*External Factors Affecting Retention*

Factor	n
Nature and Amount of Available Work (n = 5)	
Not enough work for current employees	3
Not enough challenging work for current employees	2
Lack of frequent advancement opportunities	1
Financial Constraints (n = 4)	
Cannot compete with external offers	3
Budget cuts prevent backfilling when key talent leaves	1
Key talent leaving geographic area due to high cost of living	1

*N* = 9

Regarding the financial constraints they are dealing with, four participants described that the survey organization is not able to compete with the external offers their key talent is receiving. Additionally, the organization faces a dilemma when they lose talent and are not able to backfill the opened positions due to budget cuts, leaving the organization devoid of key skill sets. One participant stated that some competitors are offering incredibly high salaries with promotions and have aggressively targeted the company's talent within the last 2 years. Another shared, "We don't have that many

monetary tools to retain people . . . and it is challenging to make our talent feel valued, appreciated, and stable with their career.”

Participants were asked to identify the role they play as a leader in retaining key talent from a general perspective. Participants believe that leadership plays a key role in retaining key talents in terms of fostering employee’s productivity and career development discussion, exhibiting inspirational leadership, providing rewards and recognition, offering professional and personal support, and disseminating organizational information (see Table 3).

**Table 3**

***Leaders’ Role in Retention***

Leader Role in Enhancing Retention	n
Fostering Employees’ Productivity and Development <ul style="list-style-type: none"> <li>• Providing challenging assignments and growth opportunities (7)</li> <li>• Guiding career development and hold one-on-one discussions (5)</li> <li>• Empowering employees and allowing autonomy (2)</li> <li>• Providing mentorship (2)</li> </ul>	8
Exhibiting Inspirational Leadership <ul style="list-style-type: none"> <li>• Leading by example (4)</li> <li>• Making employees feel appreciated and valued (4)</li> </ul>	6
Providing Rewards and Recognition <ul style="list-style-type: none"> <li>• Providing recognition and visibility (5)</li> <li>• Promotion opportunity and competitive compensation (4)</li> </ul>	6
Offering Professional and Personal Support	5
Disseminating Organizational Information	4

*N* = 9

Eight participants stated that leaders play a role in fostering employee’s productivity and career development discussion. Of these, seven stated leaders need to provide challenging assignments and growth opportunities, and five noted that leaders need to guide employees’ careers and hold regular one-on-one discussion with subordinates. Two participants shared that the lack of a relationship and poor



understanding of employees affects retention; hence, having a regular engagement, interaction, and discussion of their future opportunities are critical for retaining key talent. One participant shared it was critical to have “an ongoing discussion for their career development. Even if we can’t guarantee the next assignment, at least talk about future opportunities and get them ready for that the role.”

Six participants noted the importance of exhibiting inspirational leadership. Of these, four cited that leading by example affects the retention of key talent. One participant shared, “People look to leaders to imitating good behaviors and leaders with high engagement will likely to impact retention of key talent.” Another participant shared, “The leader needs to let those key talents know that they are valued, appreciated, and needed in the organization.”

Another six participants believed that providing adequate rewards and recognition to key talent is one of leaders’ many roles in retaining these employees. One such approach is creating the visibility for employees to connect with senior executives, which offers a powerful opportunity to further motivate key talent in a non-monetary way. Four participants additionally noted that recognizing top talent through compensation and promotion into appropriate assignments has a big impact on their retention.

Five participants added that offering professional and personal support to employees also affects retention of key talent. One participant shared, “employees appreciate when manager share information, whether good or bad, regular basis to keep them inform of what’s going on with business.” Another shared, “setting the tone, letting them know the vision, dedication, and key commitment to our customers helps them to engage more and keep them connected with internal and external situations.” One participant stated that making employees feel like they are protected and advocated for

and creating a sense of belonging impacts retention of key talent. “It often goes beyond having career discussions but also providing ears to what’s going on their personal life to stay connected with them.”

Participants were asked to describe their current activities to enhance retention. All nine participants stated that they foster employees’ productivity and development (see Table 4). Six of these participants explained that they guide direct reports’ career development and hold one-on-one discussions. One participant shared, “Working with employees on their development plan, keeping eyes open for opportunities to expand their skill based as well as developing network for them.” Five participants additionally stated they provide challenging assignments and growth opportunities, and two said they provide mentorship. A second major theme, cited by six participants, was that they provide adequate rewards and recognitions when warranted.

**Table 4**

***Participants’ Current Activities to Enhance Retention***

Participants’ Current Retention Activities	n
Fostering Employees’ Productivity and Development <ul style="list-style-type: none"> <li>• Guiding career development and holding one-on-one discussions (6)</li> <li>• Providing challenging assignments and growth opportunities (5)</li> <li>• Providing mentorship (2)</li> </ul>	9
Providing Rewards and Recognition <ul style="list-style-type: none"> <li>• Providing recognition and visibility (3)</li> <li>• Providing promotions and competitive compensation (3)</li> </ul>	6
Disseminating Organizational Information	2
Offering Professional and Personal Support	2

*N* = 9

Participants were asked to share what they would like to do to enhance retention (see Table 5). All nine participants stated they would like to do more to foster employees’ development, such as providing more promotion and compensation (*n* = 4), giving more recognition (*n* = 4), or offering more growth opportunities (*n* = 4). One participant

shared, “Given the external market competition, we must proactively promote employees when it’s warranted.” Another shared, “Retention is a whole package—giving challenging assignments, like recognizing their effort through proper promotion and competitive salary increase.” Four participants additionally stated they wanted to increase employees’ job and workload stability.

**Table 5**

*Participants’ Desired Activities to Enhance Retention*

Desired Retention Activity	n
Fostering Employees’ Development <ul style="list-style-type: none"> <li>• Providing more promotion and compensation increases (4)</li> <li>• Giving more recognition (4)</li> <li>• Offering more growth opportunities (4)</li> </ul>	9
Increase Job and Workload Stability	4

*N* = 9

**Perspectives of Stay Interviews as a Key Talent Retention Tool**

All nine participants reported that they had never used stay interviews, although some commented they had held similar one-on-one discussions. One participant stated he had not used anything “like the way a stay interview is defined.” Another commented that he had “not used it to this extent, but I have a regular ‘tag up’ with all my employees.”

Participants then were asked to identify the potential effects of stay interviews (see Table 6). Six participants shared that usage of stay interviews is a valuable approach that aligns with the organization’s current performance management process. In addition, participants believed that stay interviews would build stronger supervisor-subordinate relationships. One participant shared, “The stay interview is a great concept, something we all should use to approach our key talents. This process will enable employees to open up and get to hear level of information otherwise people may not share with managers.”

Another participant shared, “Most important role as manager is to engage employees, make them feel like they can trust me. The stay interview process will foster this type of dialogue and engagement.”

**Table 6**

*Anticipated Effects of Stay Interviews*

Anticipated Effect	n
Valuable approach that aligns with current initiatives	6
May build stronger supervisor-subordinate relationships	6
May help employees feel valued and appreciated	5
May cultivate supportive manager behaviors	2

*N* = 9

Participants then were asked to offer recommendations for implementing stay interviews (see Table 7). Seven participants recommended that the stay interview should be implemented in conjunction with new performance management initiative. In addition, participants suggested compliance measures to help overcome lack of leadership capacity and time for implementation. One participant elaborated, “To make this practice effective, leader must have caring and capacity (sincerity) to engage this type of in-depth conversation.” Another participant shared, “This practice is beneficial only if changes are being made to their satisfaction and follow through on action. It will take commitment from leaders to make it consistent.”

**Table 7**

*Recommendations for Implementing Stay Interviews*

Recommendation	n
Implement in conjunction with new initiative	7
Compliance measures needed to overcome lack of leadership capacity and time for implementation	7
Assure appropriate employees are included and oriented to program	4
Senior leadership needs to demonstrate support for approach	3

*N* = 9

## **Summary**

This chapter presented the findings of the study. Managers currently take four measures to retain key talents: fostering employee' productivity and development, providing rewards and recognition, disseminating organizational information, and offering professional and personal support for key talents. Findings of the study suggest that fostering employee' productivity and development within managers' limited time seems to be the most effective way of engaging and retaining key employees. Participants were open to the concept of stay interviews, believing they would help enhance retention. The next chapter provides a discussion of these results.

## Chapter 5

### Discussion

The purpose of this study was to examine the use of stay interviews for retaining key employees from the perspective of managers. Two research questions were explored:

1. What measures do managers at the study organization currently take to retain key talent?
2. What are managers' perspectives related to using stay interviews to enhance retention of key talent at the study organization?

This chapter provides a discussion of the study results. Key findings and a summary of findings are presented first. Conclusions, recommendations, and limitations of the study are then acknowledged. Finally, suggestions for further research are outlined.

### Key Findings

**Current retention measures.** Study findings indicate that study participants are taking several measures to enhance retention of their employees. Specific activities include fostering employees' productivity and development, providing rewards and recognition, disseminating organizational information, and offering professional and personal support. They also reported wanting to do more to foster employees' development and increase job and workload stability. They added that external factors such as lack of work, lack of challenge, and financial constraints affecting the organization and employees also were having an adverse effect on retention.

Study findings were largely consistent with past literature regarding the importance of training and development, leadership style, and listening to and supporting employees (Chhabra & Mishra, 2008). Unique characteristics of the study organization and industry relative to workload patterns and budgetary practices led to the some differences in the data when comparing past study findings to past literature.

These findings suggest that managers are already working to enhance retention in many ways. As a result, organizations should find out, support, and leverage what managers are already doing to retain key talent. Managers also should be encouraged in their efforts and reassured that retention of key talent is important, so they know that their efforts to retain them are worthwhile. Managers should be supported in evaluating the impact of their efforts and advised to seek support from the organization where improvement is needed. Key talent employees, for their part, should keep in mind that their managers want to retain them and are trying their best to do so. These employees also may be advised to find out and learn how they may benefit from retention programs at their organization.

Given that leadership style has been associated with employee retention, it is necessary to evaluate managerial style during hiring processes and to seek to cultivate an inspirational style among leaders. Human resources and organizational development practitioners can play important roles in providing executive coaching, training, and other forms of support to cultivate an inspirational leadership style within managers. Given the importance of professional and personal support, managers should strive to get to know their employees and to understand the forms of personal and professional support they need and want. At the same time, the present study organization appears to be facing certain limits to retention due to external factors (e.g., departmental hiring budgets, lack of workload). Managers should be aware that these constraints exist but should be encouraged find creative, low cost ways to satisfy employees' desires for growth and challenge.

**Stay interviews as retention tool.** Study findings indicated that participants were strongly supportive of the use of stay interviews for retention and believed that the

concept aligned well with ongoing performance management initiatives. Participants predicted that stay interviews would build stronger supervisor-subordinate relationships, help employees feel valued and appreciated, and cultivate supportive manager behaviors. Participants advised that stay interviews be implemented in conjunction with the new performance management initiative. However, participants also emphasized that senior leaders need to demonstrate their support for stay interviews and that compliance measures be added for accountability purposes. In addition, they believed that the stay interviews should target only key talent. These findings are consistent with past literature that asserted the value of stay interviews for gauging turnover intentions and enhancing retention (McGraw, 2016; Sullivan, 2013; Tan & Kaye, 2013).

These findings suggest that managers may be ready and willing to attempt these discussions and that the concept of the stay interview may quickly gain momentum, as it is aligned with current performance management initiatives, tools, and processes. It would be advisable, then, to offer training, instruction, and guidance related to how stay interviews may be performed. Individual managers interested in enhancing retention of their key talent should learn about how to do these interviews, how they may impact retention, and how they may fit with their own employee retention plans. Given the other performance management initiatives going on in the organization, key talent also may be ready for and receptive to the stay interview.

It is notable that managers believed that stay interviews may likely cultivate supportive manager behaviors and build stronger supervisor-subordinate relationships. Past research similarly suggests that strong supervisor-subordinate relationships are a key retention factor (Tan & Kaye, 2013). It follows that teaching managers how to conduct stay interviews may be a natural addition to leader development and conducting stay



interviews themselves are highly advised. Managers also believed that stay interviews would help employees feel valued and appreciated. This could ultimately increase employee creativity, productivity, engagement, and motivation, promoting improved organizational performance.

However, for stay interviews to be successful as an initiative, it is critical for senior leaders to demonstrate their support for this approach in order to facilitate implementation and managerial accountability for conducting stay interviews. Doing so may require creating a business case so that senior leaders understand the importance of their support and building stay interviews into a more formal plan to enhance organizational readiness and buy-in for the approach. Manager compliance measures also should be created for accountability and to allow the organization to track the success and sustainability of the practice.

### **Summary of Findings**

1. Managers at the study organization currently engage in four activities to retain key talent: fostering employees' productivity and development, providing rewards and recognition, disseminating organizational information, and offering professional and personal support.
2. Managers believed that stay interviews would enhance retention of key talent at the study organization through a number of mechanisms, such as helping employees feel valued, cultivating supportive managerial behaviors, and building strong supervisor-subordinate relationships.

### **Conclusions**

The study findings indicate that there is organizational readiness for stay interviews and that it could be a useful tool. Managers perceived that stay interviews can and would enhance retention of key talents, as it could help build stronger relationships between supervisor and subordinate. As the result, the study organization is expected to

benefit from the stay interview practice, as it will likely increase overall employee engagement and improve the level of organizational engagement.

### **Recommendations**

1. Study findings indicated organizational readiness for stay interviews. Therefore, it may be advisable to implement stay interviews within the study organization. The first step would be to pilot stay interviews in the organization in areas where key talent turnover is high. Additionally, it would be helpful to identify a small group of managers and employees to pilot, evaluate, and improve the process. Results should be tracked and the process should be continually improved until desired impacts are achieved. Stay interviews could then be slowly and progressively implemented throughout the organization.
2. Participants emphasized that a formal process with metrics and accountability features need to be created to promote satisfactory implementation of stay interviews. Moreover, successful adoption of stay interviews may be best accomplished by implementing them as part of the organization's performance management system.
3. Participants emphasized that senior leaders need to demonstrate their support for stay interviews if this initiative is to be successful. To do so, senior leaders should provide examples and models of them conducting these interviews themselves. Messaging from senior leadership should show the benefits and use of the approach. Human resources and organizational development professionals could assist this effort by creating a business case for stay interviews and for creating buy-in.

### **Limitations**

1. The study relied on a small sample of nine managers. As a result, the findings should be considered exploratory rather than representative of other managers in the larger organization.
2. Timing of the interviews was hectic for many managers, so they may not have had the focus and peace of mind to provide in-depth, well thought out answers. With more time and reflection, they might have provided different or additional insights.
3. Some data loss may have occurred due to the data capture method of recording typed notes during the interviews rather than audio recording and transcribing the verbatim data.

### **Suggestions for Further Research**

1. Several limitations affected this study. Therefore, the first suggestion for research is to repeat the present study correcting for the limitations. Specifically, a larger sample size should be drawn, data should be gathered at a quieter time of the year, and the interviews should be audio recorded and transcribed.
2. This study gathered only manager perspectives of stay interviews and their potential impact on retention. A valuable complement to this study would be to gather employee perspectives of the stay interviews and the potential impact on their retention.
3. Before widely implementing stay interviews, a pilot study should be conducted wherein stay interviews are implemented and impacts on employee morale, performance, and retention are assessed.

### **Summary**

This study examined the use of stay interviews for retaining key employees from the perspective of managers. Nine leaders who manage key talent were interviewed about what measures they currently take to retain key employees and their perspectives about using stay interviews to increase retention of key employees. The resulting data were examined using content analysis.

Study findings indicated that managers at the study organization currently engage in four activities to retain key talent: fostering employees' productivity and development, providing rewards and recognition, disseminating organizational information, and offering professional and personal support. Managers believed that stay interviews would enhance retention of key talent at the study organization through a number of mechanisms, such as helping employees feel valued, cultivating supportive managerial behaviors, and building strong supervisor-subordinate relationships.

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## Appendix A: Consent Form

Dear Participant,

You are being asked to take part in a research study on the use of stay interviews to retain key talent. I am asking you to take part because you are a leader in this organization who has direct reports who are considered key talent. Please read this form carefully and ask any questions you may have before agreeing to take part in the study.

**What this study is about:** The purpose of this study was to examine the use of stay interviews for retaining key employees from the perspective of managers.

**What we will ask you to do:** If you agree to participate in this study, I will conduct an interview with you, during which time I will ask you questions about retaining key employees and the potential use of stay interviews for that purpose. The interview will take about 30-45 minutes to complete. With your permission, I would also like to record the interview for research accuracy of the information being shared during the interview.

**Risks:** I do not anticipate any risks to you participating in this study. This study is independent of the [company].

**Benefits:** The study could influence measures taken to retain key employees and aid in the creation of best practices for retaining key talent.

**Compensation:** There will be no compensation for participating in the study. The interview will be scheduled during lunch hour for about 30 minutes and you will be offered a gift card for coffee at the cart (\$10) as a token of appreciation.

**Confidentiality:** Your answers will be confidential. The records of this study will be kept private. In any sort of report I make public, I will not include any information that will make it possible to identify you. Research records will be kept in a computer hard drive; only the researchers will have access to the records. If I record the interview, I will destroy the recording after it has been transcribed, which I anticipate will be within two months of its recording.

**Taking part is voluntary:** Taking part in this study is completely voluntary. You may skip any questions that you do not want to answer. If you decide not to take part or to skip some of the questions, it will not affect your current or future relationship with [your employer]. If you decide to take part, you are free to withdraw at any time.

**If you have questions:** The researcher conducting this study is May Roberts, [job title and location]. Please ask any questions you have now. If you have questions later, you may contact the researcher at [contact information].

You will be given a copy of this form to keep for your records.

Statement of Consent: I have read the above information, and have received answers to any questions I asked. I consent to take part in the study.

Your Signature \_\_\_\_\_ Date \_\_\_\_\_

Your Name (printed) \_\_\_\_\_

In addition to agreeing to participate, I also consent to having the interview tape-recorded.

Your Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature of person obtaining consent \_\_\_\_\_ Date \_\_\_\_\_

Printed name of person obtaining consent \_\_\_\_\_ Date \_\_\_\_\_

This consent form will be kept by the researcher for at least one year beyond the end of the study.

## **Appendix B: Interview Script**

### **Opening**

“Thank you for taking the time to meet with me today. I am conducting this interview as a part of my thesis in partial fulfillment of my master's degree in organization development at Pepperdine University. Participation in this study is entirely voluntary. You have the right to withdraw from the study or refuse to answer any of my questions, at any time, for any reason.

All of your responses will be kept confidential and not associated with you or your name. I will be using the data for my study and will be aggregating the results. In addition, I will be providing a high level summary of my findings to the leadership of the organization, but with no reference to names or any other identifier that would break your confidentiality.

With your consent, I would like to audio record the conversation so that I can focus on your responses and not be distracted with note taking. If you are uncomfortable with this in any way or if the recording would affect your ability to talk freely and honestly, please let me know. In that event, I will not audio record our conversation, but will simply take notes.

Are you okay with the audio recording, or would you prefer that I just take notes?

### **Demographics/Opening Questions**

1. How long have you worked for the company? How many years of this time has been in a leadership role?
2. How many direct reports do you have? How many of these do you consider to be key talent?
3. What concerns do you have about talent shortages and our ability to retain key talent?

### **Measures Currently Taken**

4. What role do you believe leaders play in retaining key talent, in general?
5. What do you think it is important when trying to retain key employees?
6. What do you currently do, if anything, to retain key employees?
7. What else would you like to do, if anything, to retain key employees?

### **Stay Interviews**

In this research, I specifically want to gain your feedback about stay interviews for retaining key employees. A stay interview is:

- An intentional dialogue
- Initiated by a manager



- Held with his or her direct report
- Purpose is to build a transparent relationship
- Employee is encouraged to express concerns, desires, and intentions as they pertain to the employee's ongoing career interest with the company
- Specific questions explore:
  - factors that make the employee want to stay
  - positive actions related to retention that might further increase this employee's loyalty and commitment to the company
  - possible "triggers" that may cause the employee to consider leaving

8. What are your reactions to this concept of stay interviews?

Possible probes:

- a. What do you like about this?
- b. What concerns do you have about this?
- c. What would you change about it

9. Have you ever used something like this? If so, what were the effects, if any?

10. What effects, if any, do you think this might have on your key employees?

Possible probes:

- a. What effect, if any, do you think it might have on retention?

This type of information can be gathered in various ways:

- One-on-one interview with the manager
- One-on-one interview with HR
- Employee survey
- Focus group with a small group of employees

11. How would you go about implementing a stay interview here for the purposes of retention? Please explain.

12. Is there anything else you feel important to share about retaining key employees or stay interviews?