

TERMINATION PROCESS

Objective

To ensure that all employee separations are managed in a fair, transparent, and legally compliant manner that protects both the company and the employee, while maintaining business continuity and data security.

Scope

This process applies to all employees — full-time, part-time, contractual, and probationary — across all departments.

Responsibility

- **Human Resources (HR):** Oversees the termination process, ensures legal compliance, maintains documentation, and conducts exit interviews.
- **Department Head/Supervisor:** Initiates termination requests, and ensures task handover.
- **Finance Department:** Prepares final settlements and ensures all financial dues are processed accurately.
- **IT & Administration:** Handles the return of assets, system access deactivation, and ID retrieval.

Procedure Steps

1. Types of Termination

Termination may occur under any of the following categories:

- Voluntary Resignation** – Initiated by the employee.
- Completion of Contract** – Automatic separation upon end of fixed-term or project-based employment.
- Involuntary Termination** – Initiated by the company due to reasons such as performance, misconduct, redundancy, or violation of company policy.
- Retirement** – When the employee reaches the company's defined retirement age or elects to retire earlier under mutual agreement.

e. Performance based Termination – When the employee do not meet the company's defined KPIs or underperforms.

2. Notice Period

- Employees resigning voluntarily must provide written notice in accordance with their employment agreement (e.g., 30 days).
- The company or employee may choose to waive or shorten the notice period upon mutual agreement
- In employer-initiated cases, HR provides a written notice outlining the reason, effective date, and applicable compensation or notice pay, if any.

3. Termination Request & Approval

- Employee submits a **Termination Request Form** or request to HR stating the reason for separation.
- HR reviews documentation (performance reviews, disciplinary records, or resignation letter).
- The **final decision** is approved by authorized management.
- HR ensures the termination is compliant with labor laws and company policies.

4. Exit Process & Clearance

Once termination is approved, HR coordinates with all relevant departments to ensure a complete and compliant exit.

HR:

- Communicates the decision formally to the employee (verbally and in writing).
- Prepares the **Exit Clearance Form** and coordinates final settlement.
- Schedules the **Exit Interview** and explains the next steps.

IT Department:

- Revokes access to all company systems, databases, and email accounts.
- Ensures the return of devices (laptop, phone, access cards, etc.).

Office Admin:

- Collects company property (ID card, keys, uniform, tools).
- Ensures office/workstation is cleared.

Finance:

- Calculates final pay including salary balance, unused leave encashment, overtime, and applicable deductions.
- Prepares the **Final Settlement Statement** for HR approval.

5. Exit Interview

HR conducts an **Exit Interview** with the departing employee to:

- Understand reasons for leaving.
- Gather feedback about management, work environment, and organizational culture.
- Identify potential retention or process improvement areas.

Feedback from exit interviews is documented confidentially and analyzed periodically by HR.

6. Final Settlement & Documentation

- HR verifies completion of all clearances before authorizing the final payment.
- Finance disburses the **final salary and benefits** within the defined timeline.
- All documents are filed in the employee's personnel record.

7. Post-Termination Obligations

- HR reminds employees of ongoing obligations under the **Confidentiality and Non-Disclosure Agreement (NDA)**.
- Any pending legal, disciplinary, or compliance matters must be resolved prior to full clearance.
- Access to company information or property after termination is strictly prohibited.

8. Legal & Compliance Considerations

- HR ensures all terminations comply with applicable **labor laws, contract clauses**, and **internal disciplinary procedures**.
- For involuntary terminations, HR documents the justification and maintains evidence to mitigate potential legal risks.
- Any disputes are handled according to company grievance and appeal procedures.