

Employee Exit & Clearance (HR-ECP)

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Revision History

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1. Introduction

Employee Exit refers to the voluntary resignation from the services of the organization. Employee may wish to resign on the grounds of better opportunity, change in technology, growth path or personal reasons. The Exit and Clearance process should be followed meticulously in order to ensure that an employee has a smooth exit, as this will ensure that the employee parts ways with Cybage on a good note, which in turn increases the likelihood of the employee rejoining the organization.

As part of the Exit and Clearance process, the employee has to seek clearances from various stakeholders - Manager, Delivery Manager/Head, HR, Administration, IS, Leave and Finance Department. These clearances are affected in order to ensure that:

- a. There is a smooth handover/takeover from the exiting employee
- b. Removal of access rights of the employee
- c. Return of organizational assets in the employee's possession.

Every exiting employee initiates clearance formalities by duly filling and submitting the Personal details and Exit Interview form. An Exit Interview is conducted for the employee during his/her departure from the organization. During the Exit Interview the HR Department (HR POC), tries to understand the reason why the employee is leaving the organization. Proactive measures can be taken based on the reasons identified to reduce the employee turnover and to create a more congenial work environment. Besides understanding the implicit reasons for the employee's resignation, the HR POC encourages the employee to be more forth-coming in his/her views/opinions about some lacunae/lapse in the existing system and the need for improvement in the existing work culture at Cybage.

2. Objective

To enumerate in detail, the exit and clearance process followed at Cybage Software Pvt. Ltd.

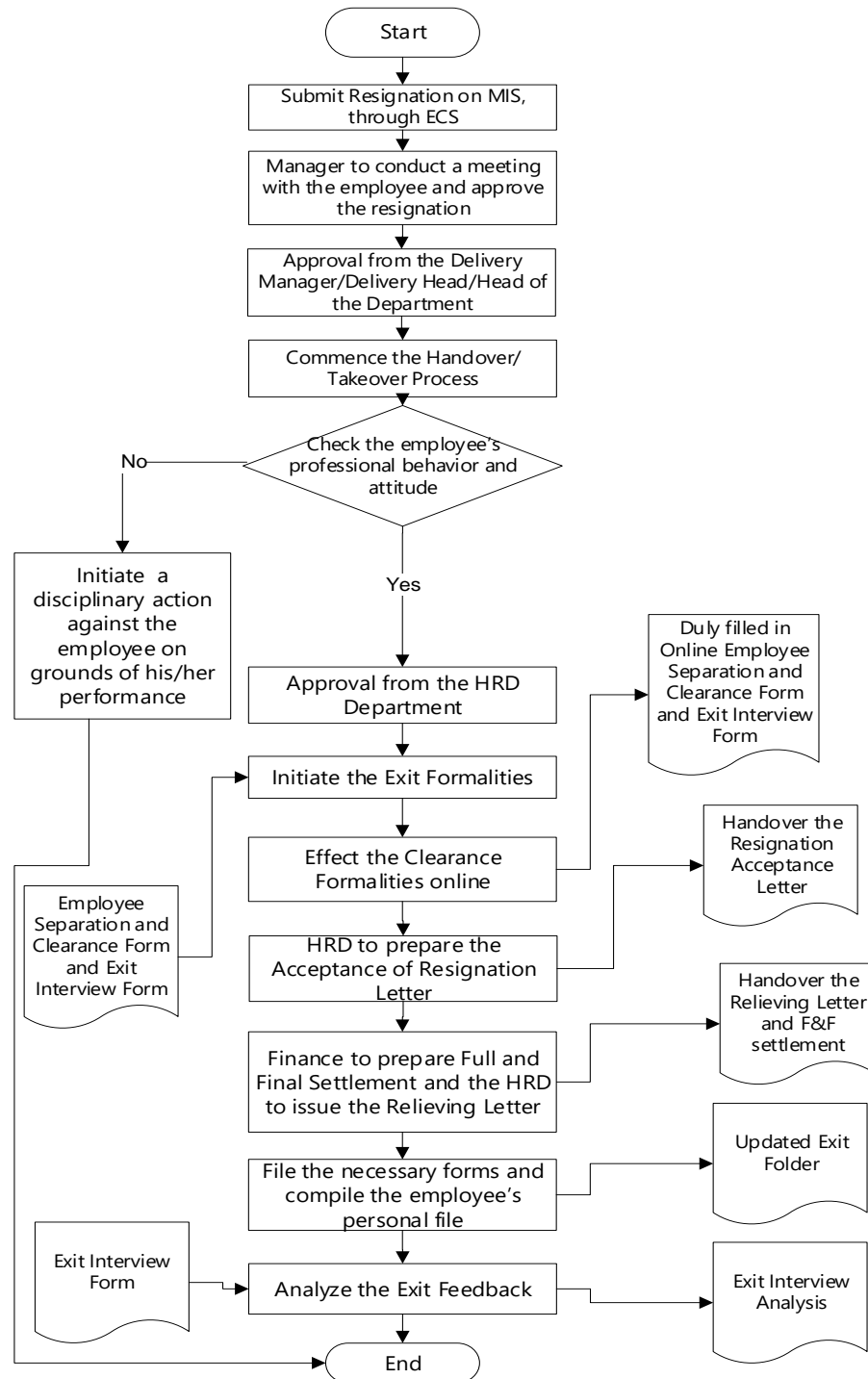
3. Scope

This process concerns all employees who are voluntarily resigning from Cybage Software Pvt. Ltd. (hereinafter referred to as Cybage/organization).

4. Entry Criteria

- Submitting the resignation on Cybage MIS (applicable to employees upto Grade 6)
Link: <https://cybagemis.cybage.com/Framework/Iframe.aspx>
- Sending the resignation to the RESIGNATIONS DL (applicable to employees in Grade 7 and above).

5. Flowchart



6. Inputs

- Resignation on Cybage MIS
Link: <https://cybagemis.cybage.com/Framework/Iframe.aspx>
- Email to the RESIGNATIONS DL (applicable to Grade 7 and above).

7. Tasks

a. Notice Period:

An employee intending to resign from the services of the organization has to serve a notice period of 3 months to ensure a smooth transition of responsibilities and tasks to team members. The notice period also allows the organization to complete all the recruitment activities as required, due to the imminent separation of the employee.

b. Last Working Day:

1. The last working day of an employee in the project will be decided by the Manager and respective Delivery Manager/Delivery Head/Department Head.
2. The Company reserves the right and has the prerogative of releasing the employee on any day during the notice period.
3. Employee will be intimated to initiate clearance formalities 5 days prior to the last working day applicable by the HR POC.
4. The employee shall be paid salary up to his last working day in the Company along with full and final settlement as applicable. In no circumstance the Company shall be liable to pay salary in lieu of notice period in case Company releases the employee early from the organization.

Further, the following points should be considered for recoverable amount calculation:

- i. If the employee is under the service agreement, then the requisite amount will be calculated and reflected in the final settlement of accounts and deducted from the employee's financial statement i.e. from the salary and other dues (if any) payable to the employee.
- ii. In case the recoverable amount by the employee is more than the salary and the dues payable to him/her, then the employee will have to pay such a differential amount to Cybage. This amount will be payable in cash / cheque (Issue of Relieving Letter is subject to realization of the cheque).

Illustration: If the recoverable amount calculated for an employee is Rs. 8500/- and the salary and other dues payable to him are Rs. 6000/-, then under such circumstances, the employee will have to pay Cybage the difference of Rs. 2500/- (Rs.8500 – Rs. 6000).

c. Leaves during the Notice Period:

- i. An employee is not entitled to any leaves during the notice period. However, as an exception, if there is a need to avail leave, then, the number of leaves approved/unapproved during the notice period, will have to be compensated by the resigning employee by extending the last working day. Extension of the employee's LWD in such cases will be the Manager's prerogative.

Note: All unapproved leaves availed by an employee will be treated as Leave without Pay.

- ii. The Leave Adjustment on the LWD of the employee will be proportionate.

Illustration: An employee, who is leaving on 15th Nov, would be entitled to 4.5 planned leaves for that semester; instead of 6.5 planned leaves which are credited for the whole semester on 1st Jul.

- iii. Unutilized leaves will be encashed proportionately in the full and final settlement document.
- iv. At the time of full and final settlement, encashment and recovery of leaves shall be done at the rate of 100% of the employee's gross salary.
- v. The leave balance of the employee on the LWD shall be calculated as follows:

1. For Planned Leaves:

Available Leave Balance – Semi Annual Addition + Eligible Balance*

Illustration: An employee's LWD is 30th November. He has served the notice period as applicable to him.

His current planned leave balance on the system is 12, which includes the semi-annual addition of 6.5 leaves for the 2nd semester. Thus, his planned leave balance on his LWD will be calculated as:

Available Leave Balance – Semi Annual Addition + Eligible Balance

$$12 - 6.5 + 5 = 10.5$$

2. For Unplanned Leaves:

Available Leave Balance – Semi Annual Addition + Eligible Balance*

Illustration: An employee's LWD is 30th May. He has served the notice period as applicable to him. His unplanned leave balance on the MIS is 4. Thus, his unplanned leave balance on his LWD will be calculated as:

Available Leave Balance – Semi Annual Addition + Eligible Balance

$$4 - 4 + 3 = 3$$

3. Floating holidays during the Notice Period:

- i. An employee is entitled to avail floating holidays during the notice period on Manager's approval.

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- ii. Any unutilized balance of Floating holidays, will get lapsed. It will not be en-cashed or paid along with the full and final settlement.
- iii. Any unutilized balance of Cybage holidays, will not be encashed during the Leave Clearance.
- iv. At the time of full and final settlement, encashment and recovery of leaves shall be done at the rate of 100% of the employee's gross salary.

Note: Any negative leave (planned and unplanned) balance will be recovered from the employee's salary i.e. if the employee has a negative unplanned leave balance and a positive planned leave balance, the negative balance of unplanned leaves cannot be adjusted against the positive balance of planned leaves and vice versa. Such negative balance will be recovered from the employee's salary during the final settlement of accounts.

*Available Leave Balance: Employee's leave balance as per the Cybage MIS on his/her LWD.

Semi Annual Addition: Addition of the leaves on semester basis.

Eligible Balance: Proportionate leave balance on his/her LWD i.e. pro-rated leave balance calculated till the LWD of the employee.

The process of Resignation at Cybage is discussed at length:

Sr. No.	Task	Sub Tasks	Responsibility
1.	Submit resignation on MIS, through Exit and Clearance System (ECS)	Submit the resignation on MIS.	Employee
2.	a. Conduct a meeting with the Employee	Conduct a meeting with the employee to understand the reason for resignation. During the meeting, plan for hand-over to ensure a smooth transition.	Manager
	b. Primary Manager Approval	Approve the Resignation on MIS (Primary Manager Approval).	Manager
3.	Approval from the Delivery Manager/Delivery Head/Head of the Department	Approve the Resignation and confirm the employee's LWD (Secondary level Manager's approval) after receiving the Primary Manager's approval.	Delivery Manager/Delivery Head/Head of the Department

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4.	Commence the Handover/Takeover Process	Initiate the Handover/Takeover process and ensure a smooth knowledge transition.	Manager and Employee
5.	Check the professional behavior and attitude	<p>Check the professional behavior and attitude of the employee.</p> <p>Note: If an employee's professional behavior/attitude is not found satisfactory as per the organization's norms, then he/she can be subjected to the Disciplinary Action process.</p>	Manager
6.	Approval from the HR Department	<p>Approve the LWD of the employee.</p> <p>Note: The employee will receive an auto generated mail mentioning his/her LWD in the organization.</p>	HR POC
7.	Initiate the exit formalities five working days prior to the employee's LWD	<p>Briefly explain the employee about the exit formalities and the online clearance process.</p> <p>Provide guidelines pertaining to the clearance from various Departments.</p> <p>Note: Exit Formalities can be initiated five days before the employee's LWD at Cybage.</p> <p>Also, employees are requested to submit their investment proofs to the Finance Department at least one day before the LWD.</p>	HR POC
8.	Effect the Clearance Formalities	<p>Employee to proceed with the below clearances:</p> <ul style="list-style-type: none"> • Clearance from the Manager • Clearance from the Administration Department • Clearance from the IS Department • Clearance for Leaves (HR Department) • Clearance from the HR Department • Clearance from the Finance Department. <p>Note:</p>	Employee/HR POC (as the case maybe)

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		<p>a. The employee can initiate the clearance from the Manager and the Administration Department five days prior to his/her LWD.</p> <p>b. The employee can initiate the other clearances (IS, Leave, HR and Finance) on his/her LWD.</p> <p>c. Prior intimation must be provided to the employee by all the departments while initiating the clearance through an auto generated email.</p> <p>d. The employee could be present in person or can complete all the clearances virtually in order to ensure a smooth clearance process.</p>	
9.	Conduct the Exit Interview	<p>Peruse the Employee Exit Interview Form before the exit interview and make appropriate notes to prepare for the interview.</p> <p>Proceed with the interview by referring to the Employee Exit Interview Form.</p> <p>Note: The feedback obtained during the Exit Interview is kept confidential. Thus, the employees are encouraged to share honest feedback during the interview.</p>	Manager-HRD / HR POC
10.	Issue the Acceptance of Resignation Letter	On completion of all the Clearance Formalities, issue the Acceptance of Resignation Letter.	HR POC
11.	Prepare the Full and Final Settlement	Email the Full and Final settlement to the employee within 25 working days and intimate the exited employee.	Finance team POC
12.	Issue the Relieving letter	Hand over the Relieving Letter to the concerned employee after receiving an email confirmation from the Finance department in regards to the completion of the Full and Final Settlement process.	HR POC

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		Note: a. The Finance Department shall inform the exiting employee about the pending dues (as applicable) to be paid by him/her through an email. b. The employee shall be given a time span of maximum 10 working days from the date of receiving the email from the Finance Department to clear the dues applicable to him/her. In case the employee fails to pay the dues in the aforesaid time span, the Management/HR Department reserves the right to withhold the Relieving Letter and the Full and Final Settlement.	
13.	File the necessary forms and letters	Compile and file: <ul style="list-style-type: none"> Employee's Personal File A copy of the Acceptance of Resignation Letter A copy of the Relieving Letter. 	HR Coordinator
14.	Analyze the Exit Interview Feedback	Document the Exit Interview Feedback and analyze the same.	HR POC

Note: Employees who have resigned will not be entitled to any salary revisions/change in designations.

Variable Pay Criteria: The variable component shall be paid to employees who are on the payroll of the Company and not serving their notice period as on 31st March of that financial year.

If the resignation is withdrawn after 31st March, employee would not be eligible for Variable Pay.

COMPLETION OF FORMALITIES:

All employees are expected to serve the requisite Notice Period as applicable and complete the clearance formalities on their approved LWD. On completing the clearance formalities, the Finance Department shall email the exiting employee details regarding the pending dues (as applicable) to him/her.

The employee shall be given a time span of maximum 10 working days from the date of receiving this email communication from the Finance Department to clear the requisite dues (as applicable). In case the employee fails

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to pay the dues in the aforesaid time span, Cybage reserves the right to issue a qualified Relieving Letter to such employee.

However, in case an employee:

- a) Fails to serve the notice period and exits the Company or
 - b) Fails to serve the duration of his/her Notice Period (which stands approved by their Reporting Manager on the System) and exits the Company prior to the Approved LWD (as mentioned by their Manager) then,
- In such cases the dues payable (as applicable) to the employee shall be adjusted against any dues receivable from the employee for breach of Service agreement (if applicable), shortfall in notice period and/or any other dues, as the case may be. Also, such an employee will receive a qualified Relieving Letter only after he/she contacts the Company and pays the applicable dues as intimated by the Company's Finance Department.

8. Verification

The following verification activities shall be carried out during the process:

Sr. No.	Roles	Verification Activities
1.	Respective Departments	Verification of the records to effect a clearance.
2.	IS, HR and Administration POC	Return of Assets.
3.	HR and IS POC	Removal of access rights.
4.	HR POC	Peruse the Exit Interview Form before conducting the interview
5.	HR POC	Analyze the Exit Interview feedback
6.	Finance team POC	Final settlement of accounts.

9. Exit Criteria

Hand over the Full and Final settlement and the Relieving Letter.

10. Outputs

- Duly filled in Employee Exit Interview Form
- Acceptance of Resignation Letter
- Relieving Letter

- Exit Interview Feedback Analysis
- Full and Final Settlement.

11. Measurements

The various measurements obtained from this process are:

- Attrition rate
- Attrition Analysis
- Exit Interview Feedback Analysis.

12. References

- Resignation Policy on the Intranet

13. Review Frequency

This document will be reviewed/updated as and when there is a change to the process.

14. Control Mapping (as per ISO27001:2013)

A.7.3.1 - Termination or change of employment responsibilities

A.8.1.4 - Return of assets