Design a smooth Exit Process
With Cloud HR solutions
Abstract

When it comes to managing last stage of employee life cycle, every organisation comes to a fix on how to manage the exit process of an employee. There are all set of activities involved right from apporving the resignation till full and final settlement on the last working day. And no matter how hard the HR department tries, one or the other thing falls out of the plate, ultimately leaving a bad lasting experience on the employees. With this whitepaper, we want to focus on how exit process can be streamlined in a shared service model. It gives a comprehensive solution for exit management right from the employee separation requests, approval workflows, Query Resolution, No dues clearance, full and final settlement to relieving letter. A smooth and automated exit management system helps managers to spend lesser time on transactional issues and concentrate more on the mission critical HR issues.
Design a Smooth Exit Process

Introduction:

It’s interesting to note that in our day to day life we often refer to the statement – first impression is the lasting impression and a lot of our actions actually attempt to create a lasting impact at the very first instance. However, we often miss the point that it’s often the last experience that leaves the most profound and memorable impression in our mind.

The HR professionals often believe in making a big impact on the employee, at the very first contact. The great pre-joining initiatives, both expensive and expansive induction programs emphasize the fact that we indeed look forward to create a first impression which we hope the employee carries even after his exit from the organization. Amidst this we often miss out on the fact that a smooth exit process is equally important and should be handled with utmost care.

Problem Statement:

Today, organisations have multiple locations from where their employees operate. In order to provide all their employees same experience throughout, more and more companies adopt a HR Shared Services model, which includes an efficient query management system to resolve queries of employees. While creating these systems, the focus area is the current employees. Tackling the needs and queries of ex-employees are normally out of scope. Contrarily, if the statistics of queries are studied, more than half of the queries come from ex-employees. These queries include non settlement of their full and final, transfer of PF etc., which exceed the promised timelines of settlement and aged post the LWD. More often than not resolution of these queries take much longer. This makes the ex-employees lose faith in the company’s systems and more often they regret for working with the organization. The worse statements are “Had I known about it before, that the current system is so lousy, I would have been like this, I would have never joined your organization”. The shift of ownership from ‘My Organization’ to ‘Your Organization’ is so very evident. This is detrimental to any organisation as in today’s times of talent war; engaging talent is equally important for employee brand.

Situation of Urgency:

This situation has multiple effects

- The employee rejects the idea of ever joining back. This has an effect on the effort to create a re-hire pool for the best performers.
- He shares his experience with his ex-colleagues who are still working with the organization and they tend to develop a bitter feeling and get worried in anticipation of a similar experience

As this ex-employee starts sharing his experience with his friend and current colleagues, the perception formed about the culture of the organization is not that great.

Business Needs:

Talent these days is the strategic differentiator that is why organisations are on a constant look out to have the best people. New and new channels to fetch the best talent are being found and
one of the most trusted methods is “Re-hiring”. For successful hiring of ex-employees it is important to have a good parting relationship. A quick and error free separation process so that the exit formalities can be completed within 2-3 weeks of acceptance of resignation is important for the same.

Key Solution: The Shared Services

The task is to manage the exit process of the client. Designing of the solution included 3 main steps:

Stage I

Stage I is to understand the current process of exit followed at client’s end. This includes interviewing department heads, employees, and HR. Based on the feedback so received, the assessment areas should be deduced, around which the whole solution is designed.

Stage II

This stage is to benchmark the ongoing practices with the standard practices followed in the industry. A mapping matrix should be carried out to understand to understand the maturity level of the client when compared to its own peers in the same industry.

Stage III

Once the maturity level of the client has been deduced the task is to assign scores across 3 segments viz., Process, TAT, Technology.

These 3 stages build the foundation. The next step is to adopt practices and procedures that could help in giving employees a hassle free exit experience.

Figure 1: Key Steps of Solution Matrix
Observation

The shared services help in improving its exit process substantially. However, it’s important to consider the following points:

Steering Committee: It has to be driven from the Top

Till the time it’s not a mandate given by the Chief People Officer, the separation process is the last on the list of priorities of the HR officers. The top management needs to push its HR team to build a well organized and transparent separation process. The HR Head’s checklist, apart from the usual review on employee turnover, should have evaluation meetings on the timeliness and accuracy of the overall separation process. That ought to be the first and foremost step to make the shift happen.

Change in policies: The processes would need a facelift

Changes are to be made not only in the current way of processing, but also the policies would be required to revisit to check if they match up with the new expectations. Key occurrences at all the levels of the separation process are to be clearly defined with the specific actionable mapped at all these stages. Timelines are to be distinctly agreed with all the stakeholders involved (take clear sign-offs) in the process. Often well-defined processes fail to deliver because of relaxed or flexible timelines. However, setting up a process with too strict timelines at the very initial stages can put strain on the overall processing. The approach should be gradual as the process matures.

Unleashing the Power within: Leveraging Technology

Technology is the biggest enabler towards the success of any HR process. The ERP systems have made coordination and working together possible with no time and space constraints. We can’t deny the need for collaboration of different departments like IT, Admin and Finance to make the separation process a smooth one. The ERP system would make all these stakeholders operate on a singular platform with see-through and synchronized inputs and quantifiable outputs. There could be no better way to enforce a process and it’s timelines than a well defined workflow which is managed through the ERP systems. Technology is the indisputable game changer here.

Conclusion:

Interestingly, this transformation was far easier through the adoption of shared services. The process was carried out smoothly even though the organization was large, complex, and was based out of various locations. The model strived on core competencies to increase efficiency and productivity by leveraging on robust processes, systems and resources. The data management procedure which is often in question during the separation process was better managed under HR Shared Services. Let us not overlook the fact that these augmentations compel us to establish strong Early Warning Systems at all levels of the processes which secures the organization from potential financial risks.

It is critical to understand that the separation needs to be as smooth as on-boarding and it’s equally important to make the employee feel better and comforted during his last stretch within the organization. The last experience, if good, often motivates the leaver to reconsider his decision and to even join the organization back after some years.

The process, however, can backfire if it’s not good. In such a scenario, people tend to complain, regret and most importantly badmouth the organization. Any organization that claims to be
employee centric would agree that a successful relationship is a continuous endeavor and keeping the satisfaction quotient high cannot be a one day process.

Nothing will comfort the employee more than all the relieving formalities being completed and handed over along with the farewell bouquet conforming to the saying “All is well that’s End’s well”. Though for the organization it should be “All is Well, when Done well”

**Case study**

The customer is India’s Premier Distribution and IT Services and Solutions Company. It has one of the largest sales & distribution network in the country and provides value added distribution for partners, including the last mile connect and support in marketing and promotions for Telecom, IT, Office Automation and Consumer Electronics products covering more than 15000 towns across 664 districts in India. Their distribution business has an unparalleled network that reaches more than 100,000 retail outlets, over 800 Direct and Micro Distributors and over 12400 Channel Partners across India.

**Challenge**

The Organization was facing a challenge to manage exit related operations for its diverse workforce spread across 20+ states. The whole process was manual, operations like FNF settlement, generating letters within the timelines became a challenge. Ultimately, hampering the overall employee’s experience at the time of leaving the organisation.

**Objective**

A partnership between PeopleStrong and customer was started with the aim to manage the end to end exit transactions of its diverse workforce and simplify the work life for all the users by introducing a dynamic technology solution which supports the standardized exit management system that holds credibility and the last experience for the employees.

**Solution presented**

The relationship was entered into with the strategic intent to build centralised, efficient exit processes, create value added services for employees, while maintaining quality of experience, better reporting & governance, sustained focus on improving exit processes & policies through faster & better analysis.

The engagement which covered different facets of Cloud based HR Shared Services solutions achieved the covenant of:

- Employee delight
- Ensuring a smooth exit experience so that employee leaves as an alumni or brand ambassador for the organization.
- Provide helpdesk service to solve all the exit related queries within SLAs defined.
- Zero Noncompliance for all statutory and labor laws
- Cost control on FNF by ensuring adherence to norms and eliminating misuse and fraud

**Impact to the organization**
| Smooth Exit Experience | ▪ The complete exit process is automated without any manual intervention.  
▪ Business relevant dashboards to review the situation at the BU level.  
▪ At the beginning of the project, where 6 resources were maintaining exit formalities, today all the SLA are being met with only 50% of the initial resources.  
▪ On an average around 430 F&Fs are closed on a monthly basis.  
▪ 100% of the letter generation happens within SLA to provide a smooth exit to the employee.  
▪ Quick closure of employee queries.  
▪ No Tracking of activity wise SLA’s due to the high volume of Backlog in starting of the project, Average time of FNF processing at that time was 45+ working days after No Dues clearance receiving, which has been reduced to one week as on date.  
▪ The Average call handling time for exit related queries has been reduced to three minutes from initial 5 minutes. |

This relationship has changed the way exit operations were carried out by the customer. From being the operations center, it has become an experience center for all its users – Employees, Candidates, Line Managers, CXOs. To keep business growing at the dramatic rates, it is essential to have all HR applications integrated around a single database and process especially for operations like onboarding & exit. The advantages of designing your systems in this manner yield tremendous cost savings and improved business productivity.
Author Bio

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Founding Member and Associate Vice President at PeopleStrong

Ayan is one of the founding members of PeopleStrong who joined the company in the initial year and has played an integral part in building the shared services function in one of the most Customer Centric, Delivery Focused and Outcome Driven verticals. With more than 11 years of Experience in Human Resources, he has championed multiple large and medium sized implementations including setting up and successfully running one of India’s first 1800 Toll Free HR Helpdesk and also one of India’s largest HR Shared Services Centre in the automobile sector. He has been managing projects across industries like Financial Services, Telecom, IT, FMCG, Manufacturing, Engineering etc. His efforts have brought in awards for the customers and PeopleStrong – ‘Winners Asia Pacific Programme of the Year Award 2014 by HROA’. Ayan has done his post graduate certification in Human Resources Management from XLRI Jamshedpur and holds a bachelor degree in Mass Communication from North Bengal University.

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About PeopleStrong

PeopleStrong is a leading platform based mpHRO (Multi-process HR Outsourcing) and Technology company, headquartered out of Gurgaon in India. We enable Business Leaders and CEO's in transforming their people agenda. Our proposition value is further enhanced by the fact that customers see us as trustees of HR Transformation, partnering in their prime objective of creating Happy Organizations. We have implemented some of the largest HR Service Centers in Asia Pacific. We deliver employee services across regions and time zones for more than 300,000 employees and have hired more than 40,000 employees through a unique technology interface coupled with high end decision making Tools for people data. We are the first company in the space to be successfully assessed on SSAE16. For details more details, visit www.peoplestrong.com

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