

## Long way to go for India Inc on succession planning: Expert

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Press Trust of India | New Delhi February 16, 2014 Last Updated at 12:56 IST



As Sebi ushers in a new regime for listed companies on corporate governance, experts feel a proper succession planning programme is largely lacking among Indian firms and this could adversely impact their results.

Overhauling the way listed firms and their top executives are governed in India, market regulator Sebi has asked them to put in place proper succession planning for top management and board positions, in line with best global practices.

The experts in human resources arena, however, say that succession planning at Indian companies remain mostly poor and a large number of them being family-owned or family-run enterprises make it even more difficult.

There is a need to develop succession planning in the organisation as a constant rather than a reactive process, they say.

According to international executive search consultancy Alexander Hughes' Supervisory Board Chairman Maurice Rozet, it is not as natural in the mind of an Indian company to use an executive search company to fill up the leadership positions as their global counterparts.

"India needs to improve substantially in terms of putting an orderly succession planning process in place. Succession planning is not the job of the CEO. It is the board's job. If the board is passive and is not looking at the shareholders' interest, then there is a problem," Alexander Hughes' Managing Partner Pankaj Dutt said.

At professionally managed companies abroad, succession planning is done very carefully, but in Indian promoter-driven companies, it is almost given that the successor would be a family member, experts feel.

Family-run businesses in India are most likely to hire a "number two" person to help their family-nominated CEO.

"There has to be a plan with the process of identifying and involving potential leaders, developing and encouraging them to look beyond their immediate responsibilities. This will transform into better vision building, effective teamwork and successful performance both for the individual and for the company," Ritu Mehrotra, VP Global HR and Talent Management of Mahindra Group Company, Bristlecone, said.

Experts further feel that most companies in India are highly unprepared to deal with the sudden demise of their CEO and this is especially true in case of family-run businesses.

In the recent past some companies were left without a CEO all of a sudden largely owing to accidents and health related issues. Karl Slym of Tata Motors, Ved Prakash Arya of Milestone Capital, Raghu Pillai of Future Retail and Ranjan Das of SAP India are some of such cases.