

India Inc Going All Out to Make it a Success(ion)

Stress laid on plans for next-in-lines amid talent war, post-Covid risk perception and push from boards, investors

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Mumbai: Indian companies and large conglomerates are discussing succession planning more than ever before as an intensifying war for top-deck talent and the rising mobility of key personnel prompt organisa-

tions to proactively build up a second and even third line, said board members and chief executives.

Besides, a push from boards and investors amid a manifold increase in the complexity of risks facing any company is leading many — especially in sectors such as financial services and technology, and at large

diversified conglomerates — to take succession planning to at least two levels below the CEO and CXOs.

“Succession planning has gained significance, with growing opportunities for top talent leading to a surge in (senior management) mobility,” said Sanrupt Misra, group director, Birla Carbon, and HR head, Aditya

Birla Group. “As a business grows in size, business continuity becomes important and any disruption can counter continuity, making it more important to plan succession.”

Talent mobility has increased significantly, expanding the possibility of key personnel leaving for another opportunity, disrupting business continuity, Misra said.

CEO exits rose 18% to 166 in calendar 2022 from the year before. In 2023 so far, 157 MDs and CEOs have quit, or are on their way out, according to data from NSE-listed companies compiled by Primeinfobase. Many companies are looking at succession plans for specialists, business heads and top executives in key P&L roles.



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These include heads of sales, strategy, M&A, product and design, among others.

“There is always a dearth of good talent,” said Harsh Goenka, chairman, RPG Enterprises. “Moreover, many who have joined during the Covid period do not have the stickiness and sense of belonging vis-à-vis people who have been around for a longer time. This makes succession planning more relevant now. I personally get involved in succession planning up to CEO-2.”

With increasing complexity and uncertainty in the operating environment, succession planning is emerging as a key priority for nomination and remuneration committees (NRCs) and boards, said Saugata Gupta, managing director and chief ex-

ecutive, Marico.

“While CEO succession is a key area of focus, boards and NRCs are also looking at the senior leadership pipeline with greater intensity,” said Gupta, who is also NRC chair at Delhivery and NRC member in Ashok Leyland. “Knowing and developing the next-gen senior leadership talent gene pool is therefore emerging as an imperative for the board and the CEO.”

The show must go on, said Vinita Bali, former managing director of Britannia and an independent director on several global and Indian boards. “If your lead actor falls sick one day, the Broadway show is not cancelled, as there is an understudy ready to step in,” she said. “That is the level of succession planning required in corporations too.”

Covid-19 has accentuated the trend, said Pankaj Arora, MD, Russell Reynolds Associates India.