

**HOUSING & URBAN DEVELOPMENT CORPORATION LTD.  
HUDCO Bhawan, IHC, Lodhi Road, New Delhi – 110 003**

No.:MoU Parameters/2017-18/HRM

Date: 27<sup>th</sup> September, 2017

**CIRCULAR**

**Subject : HUDCO's Succession Planning Policy.**

The HUDCO Board vide Item No. CIR-6 of 2017 has approved the HUDCO's Succession Planning Policy on 19<sup>th</sup> September 2017, the details of which are mentioned below:

**I. Background:**

One of the important factors for the success of any Organization is the continuous manning of important positions by a competent set of people at all times. To achieve this, the Organisations need to have a Succession Plan in place. Basically succession planning is an integrated leadership development process whereby Organisations ready themselves with a pool of talent armed with skills, knowledge and experiences to fill specific positions as and when they fall vacant. Though HUDCO has always been proactive on this front, and identifying the high potential internal performers and training them for taking up the future leadership positions, now a formal documented policy has been duly approved by the Board.

**II. Objectives:**

1. To prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities
2. To ensure that the Company is prepared with a plan to support operations and service continuity when the Key Persons and Senior Management Personnel (SMP) leave their position.
3. To ensure systematic and long term development of internal candidates in the leadership band, also keeping in view the potential available in the Managerial Band, to replace when the need arises due to death, disability, retirement and other unexpected occurrences.
4. To identify the competency requirement of key positions, assess potential candidates and develop required competency through planned learning and development initiatives.

**III. Compatibility:**

- i) The process has to work in tandem and smoothly, with the existing HR systems and to remain in tune with talent management strategies of HUDCO, in the long run.
- ii) To align with the people's mindset and culturally fit.

**IV. Scope and Dimensions:**

With a view to focus on HUDCO's diverse nature of business, arising out of its various techno-financial and operational spheres, the Succession Planning Process will cover the pivotal (key) roles within the targeted levels, besides the Leadership positions.

The Succession Planning shall cover the following:

**(a) Targeted Bands:**

- i. Levels in the organizational hierarchy.
- ii. Position Covers: Leadership & other key positions.

**(b) Stakeholders & Roles:**

- i. Line Functionaries/Senior Managers (ED/GM).
- ii. Managerial Personnel within the talent pools.

**(c) Decision Making Levels:**

Management Committee and CMD.

Details on (a), (b) & (c) given under:-

**(a) Targeted Bands**

**Position:** The Succession Planning will be designed to identify shortages and gaps in the Leadership Bands i.e. E-9/E-8 & E-7 levels i.e. 3 top-tiers, below Board level positions:

<b>Leadership Roles</b>	<b>Key Positions</b>
Line Functionaries (Leadership Roles) Heads of Regions having External Focus, etc.	Management position in specialized Functions and in emerging areas
<ul style="list-style-type: none"> <li>- SBU Heads</li> <li>- Operational/Functional Heads</li> <li>- Regional Heads</li> <li>- Other Line Functionaries</li> </ul>	<ul style="list-style-type: none"> <li>• CSR</li> <li>• Specialized Consultancy areas/Govt./Programmes of Ministry.</li> <li>• Technology development</li> <li>• Innovation Cell</li> <li>• International Cooperation</li> <li>• Corporate Marketing – Branding</li> <li>• Corporate Governance</li> <li>• Risk Management</li> <li>• Default Debt Restructuring</li> <li>• Resource Management – International Investments</li> <li>• Knowledge Management</li> <li>• IT Security</li> <li>• Strategic Management – HR</li> <li>• Construction Technology &amp; Management</li> <li>• Valuation</li> <li>• Faculty Management/Research Faculty</li> </ul>
Above are indicative and not exhaustive	

**(b) Stakeholders and Roles:**

**i. Line Functionaries/Senior Managers (ED/GM):**

The line functionaries i.e. HoDs/EDs will be a vital link in the Succession Plan Process of HUDCO, who shall provide an in depth understanding of the roles they perform and shall assess the present and future needs of business, identify the available and potential successors, from within the talent pools.

One of their primary responsibilities will be to assess the prevailing skill gaps and suggest the developmental needs for the spotted successors.

The data gathered as "Talent Notes" from the HoDs as above, shall be further validated through detailed conversations – HR and Consultant will facilitate this process.

**ii. Managerial Personnel within the talent pools:**

The next level of stakeholders i.e. GMs essentially are those individuals, who are the potential successors. Inputs, mostly to structure the developmental and skill needs will be generated through a similar exercise done with the Line Managers to a limited scale. The potential employees will be allowed to participate in the succession planning process, who would confirm their rotational requirements and design their PDPs (Personal Developmental Plans).

They would further provide inputs in identifying succession to key roles wherever needed.

The Talent input/data emanating from the stakeholders will be further cascaded to one level below i.e. JGMs, who would be within the talent pool. The developmental needs of these individuals will also be pursued, alongside any initiatives required for cross functional rotations.

**(c) Decision Making process:**

A Management Committee (comprising of senior functionaries i.e. EDs/ Sr EDs) to be constituted with the approval of CMD, which shall oversee eliciting of data from the stakeholders, collecting data for preparing Succession Plans in different streams. The important function will be to identify the position and roles for which Succession Plan is required within a given time frame.

This process will be facilitated by HR with assistance of Consultant. The committee will meet as many times as required but not less than once in a month. The recommendation of the committee will be put up to CMD, after taking the inputs of the Functional Directors, for approval.

## V. Succession Planning and Timelines

The steps to be covered:

- i) Sensitizing the scope of Succession Planning in HUDCO.
- ii) Communicate and coaching session/orientation (at least two) workshop.
- iii) Align targeted employees within the Bands.
- iv) Formation of facilitating & Decision Making level Committees.
- v) Formalization of supporting tools/online activation.

### Timelines

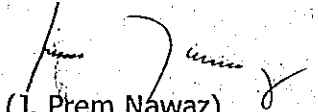
- The HUDCO Succession Planning will be effective from last quarter of 2017-18 i.e. January - March 2018.
- The preparatory legwork covering data on position and roles, individual profiles, framing of formats, sensitization will be completed by December, 2017.
- Collection and compilation of 'Talent Notes' of the stakeholders/completion by 31st March, 2018.
- Individual consultation with line Managers/HoDs and completion of Succession Planning 2018 (April – June, 2018).
- Submission of Final Yearly Report to CMD for approval and subsequent implementation

A process Chart and timelines covering the above activities has also been enclosed as Annexure – I.

## VI. Review of the Policy:

In case of any amendment(s), clarification(s) circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s) clarifications, circulars shall prevail upon the provisions in this policy and this policy shall stand amended accordingly.

The Succession Planning policy is being implemented with immediate effect

  
(J. Prem Nawaz)  
Executive Director (HR)

Copy to:-

1. ES to CMD
2. AGM (S) to DCP
3. AGM (S) to DF
4. AGM (S) to CVO
5. Sr. ED (C&H/RE)/Sr.ED(CI&SC/CP/T/HR)
6. All EDs/GMs/RCS/CS
7. JGM (OL) – For Hindi version
8. AGM (IT-HR)
8. DM (IT) – For posting on Intranet
9. Office Order File

**Annexure- I**

	Process Events	Activity Details	Stakeholders/Role		Timelines
			HoDs	Board	
<b>A. Preparatory</b>					
(i)	Introduction/ Acceptance of SP	Compliance to MoU Target 2017-18	--	Scheme to be approved	Before 30.9.2017
(ii)	Scheme Notification	Communicating to Targeted Groups (HR)	--	--	15.10.2017
(iii)	Formation of Mgmt. Committee	As per Scheme	--	--	15.10.2017
<b>B. Succession Plan Sensitization</b>					
(i)	Awareness	All internal stakeholders through two Workshops CO and one Zone	Participate	--	Before 30.11.2017
(ii)	HoD-Alignment	Preliminary data on identification of Position/Roles Acceptance/ Endorsementsof Formats	Participate	--	Before 31.12.2017
(iii)	Consultant/Engage ment and Collaboration	For awareness Workshop and process consultation, one year/call basis	--	--	30.11.2017
<b>C. Process Implementation</b>					
(i)	Preparation of 'Talent Notes' Format Data generation	To obtain structured inputs from stakeholders, HoDs/Others	Participate	--	Before 15.2.2018
(ii)	Collecting & compilation of Data	Consolidate information – identification of gaps and spotting successors	Participate	--	Before 10.3.2018
(iii)	Consolidate capability & developmental needs/group and individuals	To frame PDPs/formalize training and learning needs with ED (Trg.)	--	--	Before 31.3.2018
(iv)	Validation through discussions	Consultation with each line Head with Consultant for a final blue print	Participate	--	Before 15.5.2018
(v)	Action Plans & adoption of final plan	Through Joint meeting of HoDs/HR/Consultant	Participate	--	Before 30.6.2018
(vi)	Acceptance by Management by the Management Committee	To seek approval of CMD	--	--	Before 31.7.2018
(vi)	Follow-up	Inform Board & follow-up	--	Information	Till next plan for the subsequent year is readied.

*Handwritten signature*