



NCC Bank

नेपाल क्रेडिट एण्ड कमर्स बैंक लि.
Nepal Credit & Commerce Bank Ltd.

Your Business Bank

Employee Succession Planning Guidelines 2018



**Nepal Credit And Commerce Bank Ltd.
Bagbazar, Kathmandu**

Approved by:

687th Board Meeting

Held on 28th May 2018 (2075-02-14)



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The Board Meeting No. 687th
held on 2075.02.14 (28th May, 2018)
has decided to approve, the

**"Employee Succession Planning
Guidelines, 2018"**

Kapil Gnawali
Company secretary
2075-02-14

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1. Background

The change in leadership at key position will certainly expose the Banks towards high risk in case there is no effective succession planning. Therefore ensuring that the functions at key position will not be interrupted even after change in leadership is important for safeguarding the Banks against unplanned and unexpected change. Further, effective succession planning is essential element to implement job rotation and transfer policy so that risk arising from over reliance/dependency in single person can be mitigated.

As an important tool of business continuity, succession planning is an essential part of business to ensure that qualified leaders/employees are always available and in place to carry out its plethora of job functions. The Employee Succession Planning Guidelines 2018 is developed to foster and promote the continual development of employees, and ensure that key positions maintain some measures of stability, thus enabling Bank to achieve business objectives against unplanned and unexpected change. The guidelines provides the procedures & guidelines for identifying potential successors for the key positions/jobs in the Bank and developing employee to make ready to take over the higher responsibilities.

Nepal Rastra Bank (NRB) has made mandatory provisions to develop the succession planning and its effective implementation to minimize the operation risk. In compliance with the NRB's regulatory provision, the Guideline has been formulated and put into implementation with the approval of CEO of the Bank.

Further, this document is a part of Staff Service Rule of the Bank. All issues incorporated in this document shall be dealt accordingly and other issues not covered in this document shall be dealt in line with Staff Service Rule, other HR Policy & guidelines, Directives of NRB and statutes of the country.

2. Scope and Objective

Succession shall be planned for the staff members having job position of Managerial and above level, however, irrespective of the job position succession shall be planned for Department/Unit Head, Branch Manager, Relationship Manager and Operation In-charge who hold the key function for the Bank continuity. The succession shall also be planned for those key positions which require specific job knowledge, special skill and technical



expertise and classified as a function requiring succession planning by the CEO, from time to time.

The objective of the Succession Planning Guideline is as follows:

- To identify the key position in the Banks
- To identify and develop potential successor for the key position and ensure that successor having adequate expertise, experience, competencies and integrity is available for all job function
- To provide better career path to the employee, tool for motivational & self-development of all employee and retain the successor
- To fulfill the vacant position immediately from the internal sources for uninterrupted operation of the key function
- To minimize the human resource replacement cost and time
- To be a part of continuity plan of the Bank

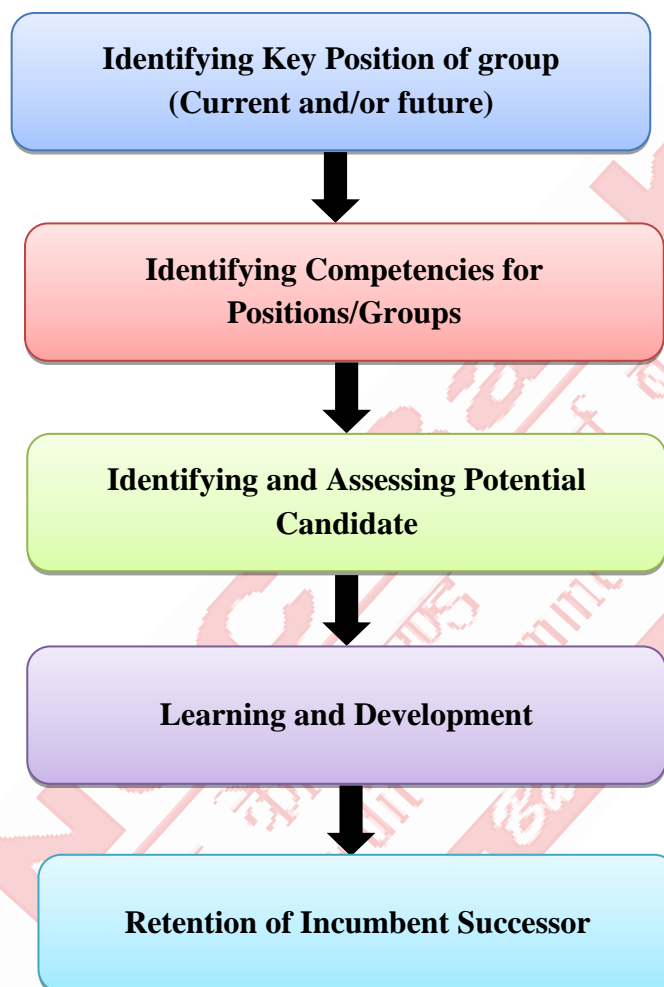
3. Succession Planning Flow Chart

- 3.1 Employee Succession planning deals with identification of key job roles and critical job positions within the Bank, identification of possible successors within the Bank who are able to take up the responsibilities of these key job positions in the event that existing job holders in these positions are not available for whatsoever reasons and preparing the identified successors through appropriate learning and development programs and exposure in order to ensure quick replacement and smooth transition in case of requirement.
- 3.2 The Bank shall prepare the succession planning register every year considering the various risk factors and dimension such as specific qualification/skill/experience requirement for particular job position, trend in turnover of staff in particular job function, remaining service period, employee satisfaction and performance review.
- 3.3 The Bank shall however consider the cost and benefit analysis of retention and development of successor, opportunity to be provided for capacity development of the existing employee with the replacement cost.

(Signature)



3.4 Bank shall adopt the following procedure for identifying, development and retention of probable successor:



4. Identifying Key Position and Group

4.1 Key position is one that, if vacant, would have a significant impact on the Bank's ability to perform its activities in consistent manner with the business strategy. Bank shall identify the Key Job Position / Groups and prepare the list of key job position before one month of end of fiscal year.

4.2 For the purpose of preparing employee as a competent successor, Bank shall consider at least following functional as a key position:

- Senior Management
- Department/Unit Heads
- Branch Managers, Relationship Manager and Operations In-charge



- 4.3 The key position shall also be identified considering the complexity of the nature of job (criticality of the position and position risk), specific skill & experience requirement, trend of turnover, remaining service period of existing employee, availability in the market, impact on the public and as suggested by CEO, from time to time.
- 4.4 Bank shall make regular discussion on agenda of the bank's talent and leadership development activities so that key position can be efficiently identified.
- 4.5 Department/Unit Heads shall also identify the key position including their own position in their respective Departments/Units and provide the list of other key position to the HR department at least one month before end of fiscal year.

5. Identifying Competencies for Positions

- 5.1 All position have a requisite set of knowledge, skills, abilities and experience that are expected from the employee who are filling that position. The succession planning provides an opportunity to review the competencies traditionally associated with jobs, particularly with respect to current goals and objectives. The minimum criteria and other requirement for the eligibility of the concerned job position shall be as determined by the Employee Service Rule and any amendments thereto.
- 5.2 The minimum experience and skills of the successor except as determined by Employee Service Rules is as follows:

➤ **Senior Management Level:**

Qualification: as determined by the Employee Service Rule with at least good rating in performance appraisal in least 2 years

Experience: adequate experience to handle the task in absence of the head of the functions

Skills: Leadership, Interpersonal, critical thinking, resource management and other job related

➤ **Department/Unit Heads:**

Qualification: as determined by the Employee Service Rule with at least good rating in performance appraisal of last one year





Experience: adequate experience to handle the task in absence of the head of the functions

Skills: Leadership, Interpersonal, critical thinking, resource management and other job related

➤ **Branch Managers, Relationship Manager and Operations In-charge:**

Qualification: as determined by the Employee Service Rule

Experience: adequate experience to handle the task in absence of the head of the functions

Skills: Leadership, Interpersonal, critical thinking, resource management and other job related

➤ **Other:** qualification, experience and skills for successor on other positions are as determined by CEO, from time to time.

5.3 Bank shall review the minimum criteria for the job position at least in annual basis considering the development in market, change in technology, change in associated risk factor, knowledge and skill of the existing staff etc

5.4 Bank shall make exit interviews, reason for exit, potential attributes and skills for the successor, reason regarding requirement of such attributes and skills and other statutory or internal requirement shall also be considered while reviewing the competencies required for job position.

6. Identifying and Assessing Potential Candidate

6.1 Bank shall identify and assess the potential candidate against core job competencies to focus their learning and development opportunities in order to prepare them for future roles in the Bank.

6.2 A talent pool of possible internal candidates possessing required potential to fill the job position shall be prepared. The Departments/Units heads shall identify at least two potential successors for himself / herself and other key positions. One for immediate take-over of the higher responsibility of the job identified and another for take-over of higher responsibilities of the job identified within 1-2 years down the line.





- 6.3 While identifying the possible successor various dimensions shall be considered as such minimum qualification and experience, key competencies, key behavioral requirements of the person, enthusiasm of personnel towards learning and taking new roles and responsibility, feedback from peers of other functions, performance appraisal etc. Bank shall provide equal opportunity to the successors having same level of competencies.
- 6.4 The concerned departments/branches head shall have to list down the core strength / competencies of the potential successor as a justification for his/her suitability.
- 6.5 In case of unavailability of successor within the department and there is no possibilities to develop someone in 1-2 years in same department, the department/unit head shall identify the potential successor from other than the same department/unit in co-ordination with Human Resource Department. However, Human Resource Department shall identify one additional successor for all key positions in addition to the list of two successors are provided by Departments/Units head. The human resource department shall prepare the list of primary successor and additional successor along with their core strength / competencies.
- 6.6 In case there is no any successor available within the Bank and is not possible to develop someone within 1-2 years, then the Bank might opt for hiring the candidate for that job from external sources. In such cases, Human Resource Department shall prepare a list of potential source of recruitment.
- 6.7 Bank shall continuously review the list of potential candidates in their various meetings and advise accordingly. The list shall be approved by the CEO. However, list of successor of those departments/units which report to board level committee such as Internal Audit, Risk Management Department, Company Secretary etc shall be approved by respective committee.

7. Learning and Development

- 7.1 Once the potential candidates have been identified, based on their interest and potential for succession in a key position, the Bank shall provide them the opportunities for learning and development.



- 7.2 Learning and development requirements of the potential candidate shall be assessed by Human Resource Department in consultation with Department/Unit Head when can deemed appropriate. It shall be provided in a manner that it can fill the gap between the possible candidate's skill and experience.
- 7.3 The list of training and development program for the potential candidate shall be in line with the Banks training calendar. The human resource department shall compulsorily obtain the training feedback form from the potential candidates after providing training.
- 7.4 Departments/units head shall provide appropriate on the job training and supervision and provide the job shadowing opportunity to enhance the confidence level of the potential candidate.
- 7.5 Learning and development program shall at least cover the leadership skill enhancement, professional behavior development, knowledge and skill enhancement, job requirement skill enhancement etc.

8. Retention of Incumbent Successor

The Bank shall endeavor to retain the incumbent successor. The retention of incumbent successor shall be governed by the Banks good practices and relevant policies.

9. Confidentiality

List of candidates identified as potential successor for various job positions shall be kept confidential and provide only to relevant authorities. Individual identified for successor shall know that he/she is successor for the job position and shall develop oneself accordingly.

10. Commencement, Review and Update

This guideline shall come into effect immediately after approval from the Chief Executive Officer (CEO). This guideline shall be reviewed at least once a year for the purpose of updating it in line with change in key job position, development in banking business, legal and regulatory changes and in order to achieve a robust and effective succession planning framework across all levels and activities of the Bank.



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BOD : 687 : 1 (CHA) : 2075:02:14

Board of Directors:

S.N.	Name	Position	Signature
1.	Mr. Upendra Keshari Neupane	Chairman	
2.	Mr. Iman Singh Lama	Director	
3.	Mr. Chandra Prasad Bastola	Director	
4.	Mr. Madhav Prasad Bhatta	Director	
5.	Mr. Krishna Shrestha	Director	
6.	Dr. Kailash Patendra Amatya	Director	

