

General Counsel in India: The Route to the Top



As one of the world's fastest-growing, highest-potential economies, India has accelerated reform initiatives to improve local business conditions while also increasing its attractiveness to foreign direct investment (FDI). The sudden opening of the market to multiple brands (both international and Indian in origin) combined with new business models — and, of course, a once-in-a-lifetime pandemic — has companies in India competing in a fairly dynamic environment.

Hence, it is not surprising that the landscape of legal leadership in India is evolving as well. Our recent study of the profiles of legal leaders in 150 of India's top companies found that the general counsel role in India is layered and multi-dimensional.

GCs are increasingly playing a strategic role in the executive suite in India, not only serving as functional experts but also as business partners to the CEO and board, taking part in strategic decisions, new acquisitions and new products. Common in mature markets, this expanding role is increasingly common in technology companies and startups, where a still-developing legal landscape is trying to keep up with nonconventional means of doing business.

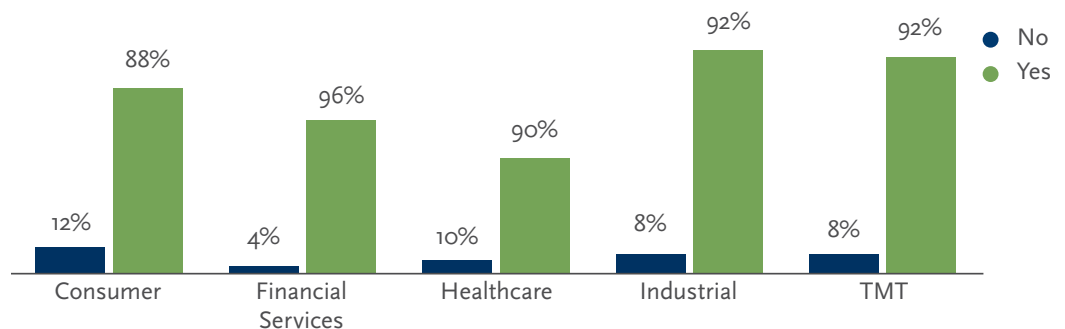
In India, however, unlike some other developed countries, GCs are still working to build the same credibility and trust CFOs and CHROs hold within their organizations in working with boards and management committees. The data from our study demonstrates this, as the majority of the GCs in India do not have a seat on the management committee or board.

The gradual rise of this strategic GC mindset was one of the themes of our latest study on the profile of legal leaders in India. Looking at 150 leading Indian companies across industries and company types (NSE-100, multinationals and emerging companies), we sought to understand the GC genome in India today. The data collected for this study in 2021 focuses on demographics, background and experience. In addition to our research, we also interviewed some luminary legal leaders for their insights on how companies are developing the current and future GC pipeline, and what legal professionals can do to grow their careers in the function.

General counsel: Business partners and thought leaders

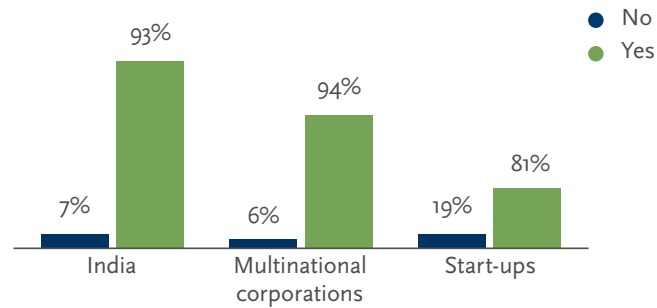
More than 90 percent of the companies we examined have a GC or an in-house head of legal (see figure 1). Over the past few years, more of these legal leaders have moved beyond the functional mold to play roles as more agile business partners, with a say in larger strategic decisions.

INDUSTRIES THAT HAVE A GC TODAY



In the past, most Indian companies relied on external law firms for critical decision-making, with more junior internal legal professionals assisting with day-to-day obligations. More companies today are transitioning to strong in-house legal functions, not just to reduce costs but to have firmer internal awareness on the legal goings-on of the business (see figure 2).

SECTORS THAT HAVE A GC TODAY



Traditionally, GCs are more focused on compliance and litigation, and less on core strategic direction. In big conglomerates, the GC role tends to include the policy, compliance, corporate secretary and crisis management functions. However, newer businesses in industries like technology are focusing on strategy-minded GCs who have a strong understanding of the inner workings of the business. Since law revolves around products that constantly evolve, these legal heads are expected to be one step ahead of regulations; they must be able to not only interpret the law but also help play a solution-oriented role in innovation and solve for how their business and legal advice will be operationalized.

General Counsel: India compared to the rest of the world

Developed markets like the United States and Western Europe have an advanced understanding of the importance of strong legal talent. GCs in these regions commonly report to the CEO or the board of the organization.

India is more of a mixed bag. In some mature, well-governed companies as well as newer, often tech-focused organizations, the legal head reports to the CEO. However, most established Indian conglomerates have their chief legal officer reporting into another functional head, such as the CFO. In these countries, legal is still seen as a “support role” rather than a business driver. Overall, less than 40% of Indian companies have a GC with an executive team or board-level seat — significant progress over the past five years, as more GCs are seen as trusted leaders and key decision-making partners, however, still a long way from developed market levels.

As Indian companies become more global in nature, GCs are progressively getting involved in formulating companies' overseas strategy, working with peers and other functional leaders in framing the thought process behind doing business internationally, and the legal requirements of that.

In developed markets — particularly the United States — the maturity of the market means that generally they have more legal risk. GCs in these markets are more accustomed to aggressive litigation and intrusive legal principles; they also are working in a free-market economy with less regulator involvement. India, on the other hand, is quite different, with heavy regulator involvement in business. This could be why GCs are not universally seen as strategic partners, as they regularly deal with more tactical issues.

Diversity and inclusion among India GCs

As India's economy gears up for the next phase of growth, diversity and inclusion is top of mind for all leaders. Still, gender diversity remains fairly uncommon at Indian companies, with women making up only 23% of general counsel (see figure 3).

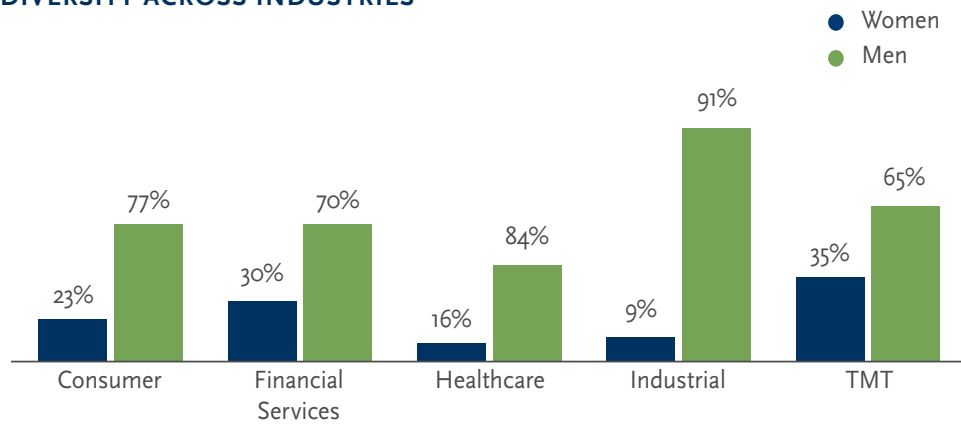
GENDER RATIO



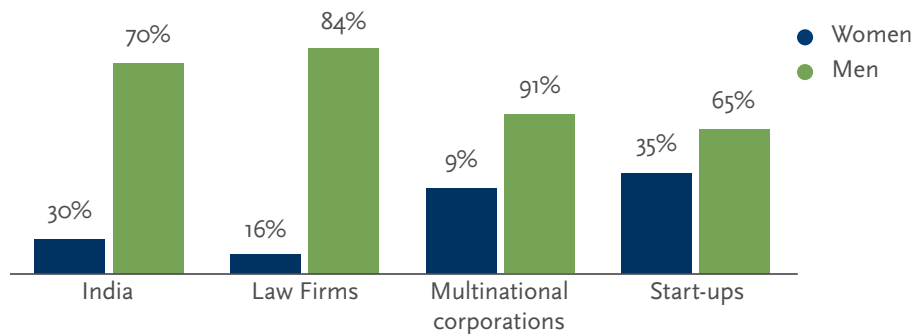
The technology, media and telecom sector leads the way with the most female GCs, followed by financial services (see figure 4). Men are most commonly leading legal at Indian companies, whereas multinationals are more likely to have a female GC (see figure 5).

In some mature, well-governed companies as well as newer, often tech-focused organizations, the legal head reports to the CEO. However, most established Indian conglomerates have their chief legal officer reporting into another functional head, such as the CFO. In these countries, legal is still seen as a “support role” rather than a business driver.

DIVERSITY ACROSS INDUSTRIES



DIVERSITY ACROSS SECTORS



General counsel backgrounds: Law firms vs. in-house

As more Indian companies embrace succession planning and mentorship in improving legal function performance, both for larger regional roles and global roles, our research finds that companies most commonly look to top law firms to find their top legal leaders.

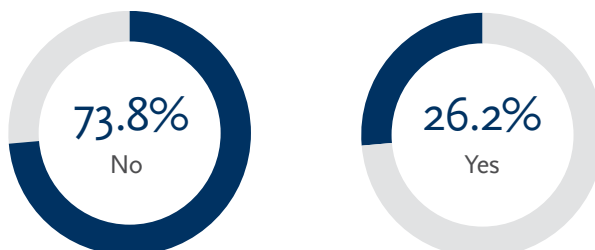
Almost 36% of GCs started their careers at a law firm (see figure 6). Firms offer great training grounds for diverse industries and sub-functions. Yet, even as they have become more professional over the years, work there can be grueling and demanding, with work-life balance issues and much smaller scale than international counterparts. Individual growth within a law firm can be difficult, as people are evaluated on their ability to develop their own book of business and bring in their own clients, and as gaining “equity” in family-run law firms can also prove hard. Therefore, many bright minds at law firms, desiring more strategic roles, seek out in-house opportunities.

% OF GENERAL COUNSEL THAT STARTED THEIR CAREER WITH A LAW FIRM



With “crowding at the top” at firms, the in-house roles can offer more attractive opportunities to do good work with a more strategic mindset. The balance is that when “practicing attorneys” move in-house, they technically must give up their license and cannot return to litigation or become judges in the future.

% OF GCS WITH CS QUALIFICATION



The GC of the future: What's next?

As the legal function gains prominence in the business world in India, what does the future hold? In our view, the in-house legal role has evolved less than other functions, such as HR, where views on engagement and the value of human capital have changed significantly in recent years. While the COVID-19 pandemic brought about some subtle changes in how law is processed, with the establishment of e-courts and discussions about privacy laws, the legal system remains comparatively stationary.

The GC's rising prominence and widening role at some companies is an encouraging trend, and more strategically minded legal leaders are seeing widening roles that enable them to be more heavily involved in the day-to-day business, including functions like risk, company secretary, ethics, compliance, corporate affairs and audit (see figures 7). Yet our research suggests that this transition remains sporadic. As legal professionals, rooted in the law, lawyers are often "trained" to be risk-averse, and there may be a certain degree of reluctance to move to more ambiguous environments (especially in "start-up" situations).

Therefore, based on our research and our conversations with industry leaders, several key points arose for how to get the best talent out of the space:

- » **Give your GC strategic, business partnering responsibilities from the start.** They should play an integral part of the growth journey, rather than serving as mere enablers.
- » **Keep in mind the cultural ethos of your brand.** Continuity is important to maintain — even as you seek disruption.
- » **Look for GCs with strong relationships within the legal fraternity.** The top legal professionals need the ability to build the strongest teams.

% OF GCS WITH BROADER LEGAL ROLES ENCOMPASSING RISK, ETHICS, GOVERNANCE, CORPORATE AFFAIRS ETC.



Authors

Debolina Chakravarty (New Delhi), **Taniya Verma** (New Delhi) and **Nidhi Raj** (Mumbai)

About Spencer Stuart

At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness. For more information on Spencer Stuart, please visit www.spencerstuart.com.

Social Media @ Spencer Stuart

Stay up to date on the trends and topics that are relevant to your business and career.

