

2018



# Vahura INSIGHTS

March 2018

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Total Rewards: Is working for an Indian Company as rewarding as an International company?



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The last few months have been quite exciting for the in-house segment, we have seen Indian business houses scaling their legal team with specialists hires.

Companies are no longer restricted or compelled to get someone from within the industry, and they look for someone who can bring in fresh ideas, innovate, doing more with less - the idea is to build a high performance legal and governance team. For most of the multinational corporates, culture has almost become the litmus test for hiring across all levels.

We have seen equity and salaried partners move to leadership roles in-house and salaries which were a constraint a few years back are now supplemented by annual bonuses, stock options, benefits and other cash. We have tried to cover a bit of this and more in this edition of Vahura Insights. Also, you can let me or email [research@vahura.com](mailto:research@vahura.com) with topics that you would like to see in the upcoming editions of the Vahura Insights.

Happy reading!

**Karl Fernandes**  
**Partner and Head – In-house Practice Group, Vahura**

## Top 15 High Impact Moves

The table captures the Top 15 high-impact In-house legal professional moves (in Alphabetical order) between June 2017- March 2018

Name	From	Designation	To	New Designation
Deepak Acharya	Procter & Gamble, Singapore	Director & Associate General Counsel	Wipro Limited	Senior Vice President & General Counsel
Gopi Krishnan	Infosys	Deputy General Counsel	WNS	Group General Counsel
Inderpreet Sawhney	Wipro Limited	Sr. Vice President and General Counsel	Infosys	Global General Counsel
Manjaree Chowdhary	GE Power	General Counsel, South Asia	General Counsel	Maruti Suzuki India Limited
Mohit Kapoor	Director - Legal & Compliance	Religare Finvest Limited	RBL Bank	Group Executive Vice President & Head-Legal
Thirumalai Narayanan	Daimler India Commercial Vehicles Pvt., Ltd.	General Counsel – Asia Pacific DAG & Vice President - Human Resource	Cognizant	General Counsel - India & APAC
Preeti Balwani	Welspun Group	President - Legal	Kraft Heinz Company	General Counsel - India
Sanjit Nagarkatti	Syngenta India Limited	Lead Counsel - South Asia	Johnson & Johnson	Legal Director, Medical Devices
Sanjukta Kulkarni	Hewlett Packard	Director & India Country Counsel	Larssen & Toubro Infotech	General Counsel
Shuva Mandal	Shardul Amarchand Mangaldas and Co	National Practice Head, M&A and Corporate	Tata Sons Ltd.	Group General Counsel
Smriti Subramanian	OYO	General Counsel	Snapdeal	General Counsel
Surendar Sharma	Marico Ltd	Head legal- International Business & Company Secretary	Colgate-Palmolive	Associate Director Legal
Tarun Bhalla	Nokia, Singapore	Senior legal Counsel	Syngenta	Lead Counsel, South Asia
Vidyut Gulati	Cairn India	General Counsel	Bharti Group (Airtel)	Director Legal
Vivek Mittal	Lupin Pharmaceutical	Legal Head	Danaher Corporation	Regional Counsel METAI Region

## Total Rewards

In this edition of Vahura Insights, we look at how the gap between Total Rewards in International and Indian companies are reducing in recent times. Total Rewards is a concept which considers all aspects of the employee experience, not just a few measures like compensation, but also the various strategies designed to attract, engage and retain employees. It has been conventionally believed that International companies offer far better Total Rewards in comparison to Indian companies. Our study suggests, that this gap has reduced significantly in recent years, with Indian companies trying to match up to international standards and innovating on various aspects. This will be discussed in detail in the following sections, over three broad categories:



**Tangible benefits** – This includes monetary compensation, along with a variable component, medical insurance, guaranteed paid leave, reimbursement policies and other tangible perks that employees are eligible for.



**Intangible benefits** – This includes opportunities for career development, work-life balance, role, brand and work environment that attract employees to an organisation.



**Policy and Culture**- This includes rewards and recognition policies, as well as relationships that employees share with each other. It also tracks satisfaction employees have with the implementation of policies.

This piece is a comparative analysis of how International and Indian companies use Total Rewards as a tool within their legal teams in India. The following components of Total Rewards have been included in our study:

- Benefits
- Compensation
- Development and career opportunities
- Performance and Recognition
- Work-Life Balance
- Work Environment

### Methodology:

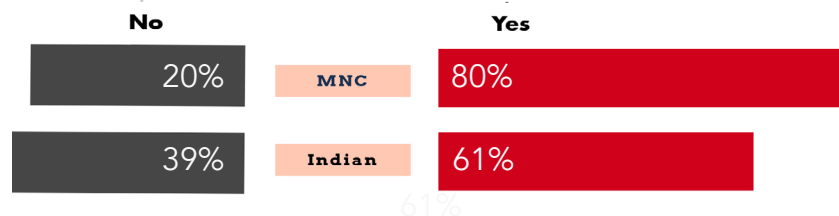
We have conducted an online survey of in-house counsels from Indian and International companies in India. 108 responses were analysed. We have also interviewed Legal and HR professionals spread across 20 large Multi-National Companies (10 Indian and 10 International) to get an in depth understanding of Total Rewards in each organisation. Interview with Mid and Senior level professionals have been considered for our study.

## Tangible Benefits

Tangible benefits are one of the key components, employees consider while considering a job. At Vahura, we have noticed that over the last two years, the “joining bonus” is gaining popularity. Earlier, the joining bonus was primarily for leadership hiring, while now it is being offered at the mid-level as well. One of the reasons for this, is there is a high demand for specialist skills at a mid level, where talent is required urgently, and the organisation cannot afford to miss the hiring cycle. More organisations are also offering long term incentives (LTI) as a retention tool, especially for the senior candidates in International and Indian companies. LTI's could be stock options, performance shares, phantom stocks, restricted stock units (RSU's) and deferred cash. LTI's are usually a percentage of annual base salary. They typically start between 5% to 20% and gradually rises on promotion. We observed LTI's are usually given to heads of functions, and maybe a level or two below the head.



### Are you eligible for Long Term Incentives?



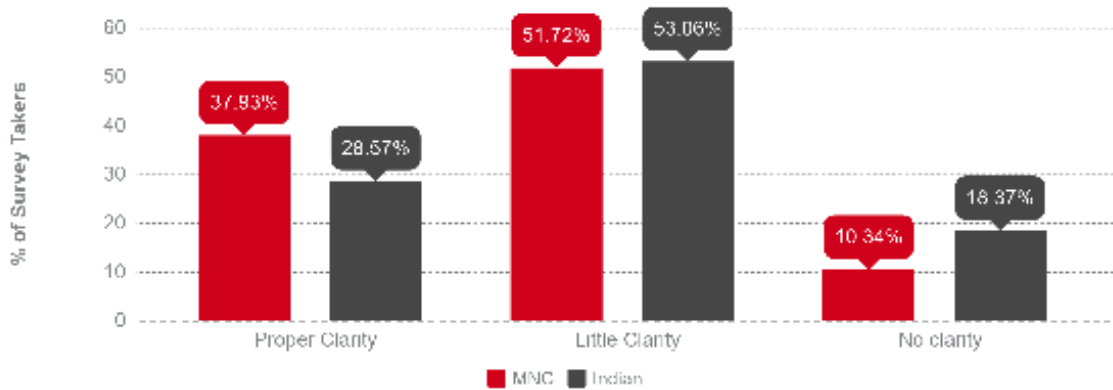
Our study showed, it is common to see professionals with eight or more years of experience eligible for long term benefits, both in Indian and International MNCs. Though in most Indian companies, it is commonly seen that top level management receive LTIs based on their tenure, whereas in International companies, benefits are rolled out earlier. What is apparent, is that very few companies have LTIs at a junior-mid level. This is something that we do foresee will pick up in the coming years as technology and e-commerce companies have already begun this practice in Indian companies. Compensation to a large extent depends on three broad categories. First, how established the business is. Secondly, the growth phase of the organisation. Thirdly, the growth phase of the sector. Based on the above parameters, compensation varies from organisation to organisation. Professionals in companies which offer LTIs, often find it hard to switch jobs because they have already been given large stock options.

**“On interviewing senior legal professionals we observed that they thought Legal was remunerated on par with other functions, and there were few discrepancies.”**

An intriguing finding was that more than 60% of the legal professionals have little or no clarity about how their variable pay is calculated.



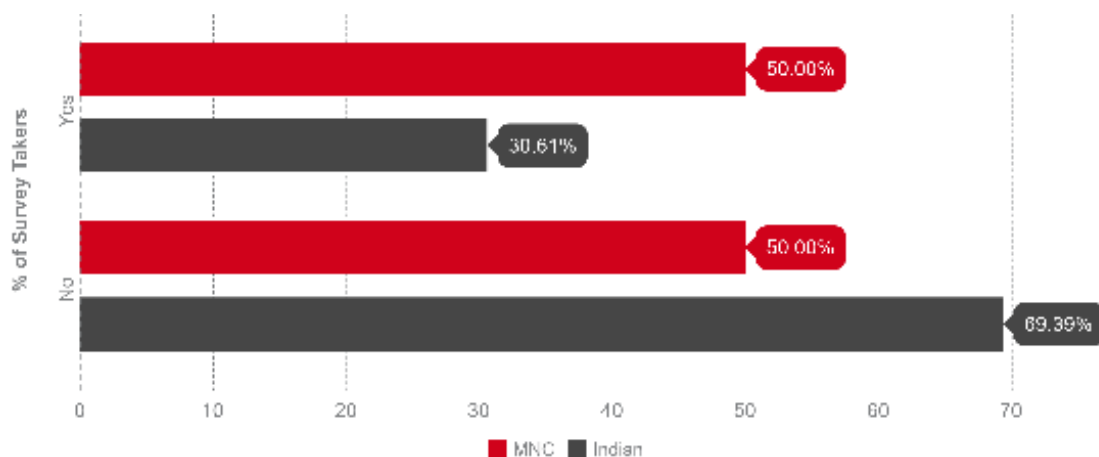
How much clarity do you have in regards to your variable pay-outs and recognition policy?



Our findings also suggest, that top e-commerce companies (both Indian and International) structure 30-40% of the CTC in the form of LTIs and stock options to motivate employees across levels. We observed legal professionals in Indian and International companies have little clarity in relation to how the payouts are calculated. This is possibly one of the key reasons that the satisfaction level for performance bonus is low in both Indian and International companies.



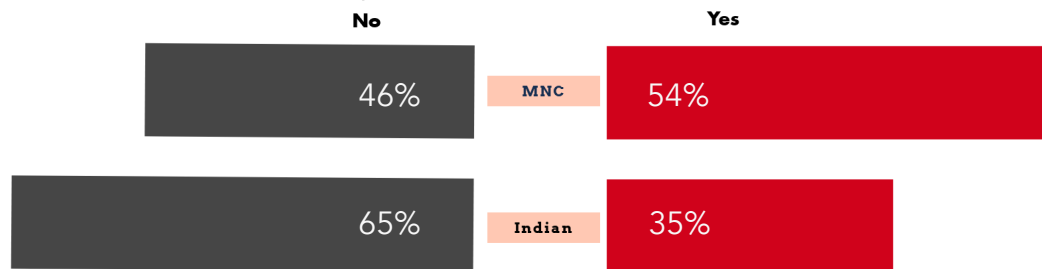
Is your bonus as per your expectation and performance?



Under tangible benefits, in addition to medical insurance, organisations also provide various allowances for professionals and their families, like wellness allowance, mental health allowance, club membership, paid vacation and many more. Employees in International company feel their compensation is competitive, while employees in Indian companies feel significantly less so. According to the Head of HR of a Leading Fund, Indian companies have far more flexibility in hiring for certain positions as decision making process is quicker, with proximity to the head office. He added that Indian companies are able to offer great stock options in recent times, which is helping them attract top talent.



Do you think your salary is competitive?

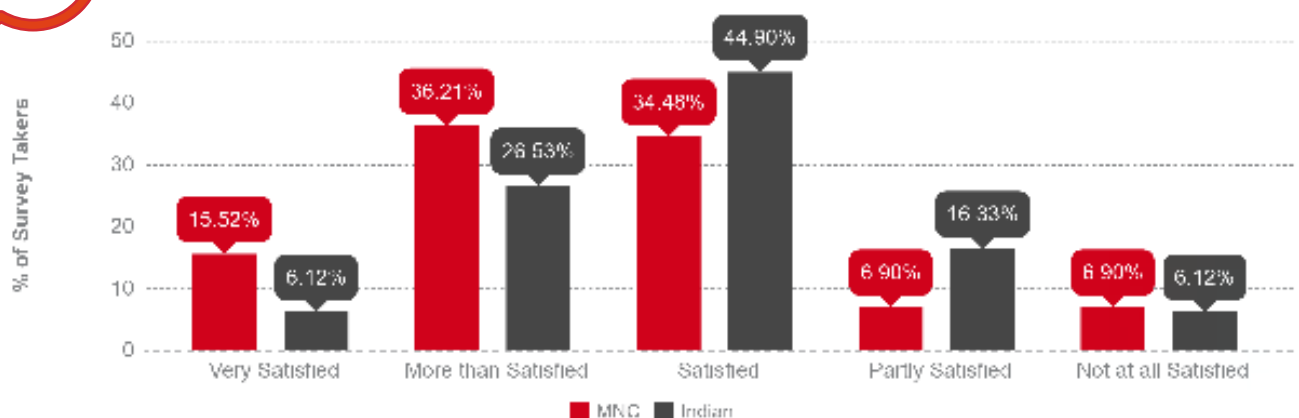


## Intangible Benefits

Intangible benefits refer to the additional methods companies use to encourage and motivate employees on a regular basis to improve the overall quality of life. The most popular intangible benefits that are gaining popularity in recent times are flexible work and work from home options. We noticed almost all International companies offer flexi hours or work from home options. Legal teams are eligible for these along with the rest of the organisation without any discrepancies. In Indian companies however, this is not the case, and it can be left up to the discretion of the Manager. We found that legal professionals in International companies were fairly happy with their work-life balance. Employees in Indian companies displayed a certain level of dissatisfaction in this regard. On further probing we observed where there is flexibility in the Indian companies, like in the new age Indian companies, the satisfaction ratings are high, falling within the 4 to 4.75 range. This shows that in Indian companies, the flexi work hours policy is very good in some places, whereas many have below average time policies.



What is your level of satisfaction overall with company policy and its implementation?



Although we see many Indian companies have started to adopt these, there is still a long way to go. In our previous edition of Vahura Insights, we noted that 23% of laterals for in-house roles, came from law firms. Flexible time policies are an important factor for law firm professionals in making the move in-house.

This study showed that although employees in International and Indian companies both have flexibility, the level of autonomy for employees in Indian companies is marginally lower.



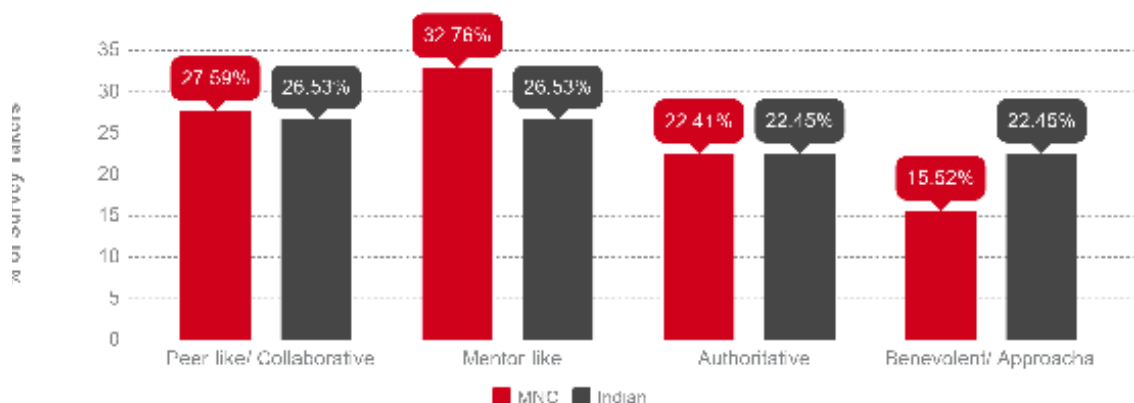
Do you feel the organisation provides flexibility and autonomy for you to get your work done as per your convenience?



Our analysis also points out that in both International and Indian companies, 23% feel their relationship is authoritative with their Managers. **Mentoring and peer like approach is gaining popularity in both types of organisations.** This demonstrates that relationship with managers in both types of companies are similar.



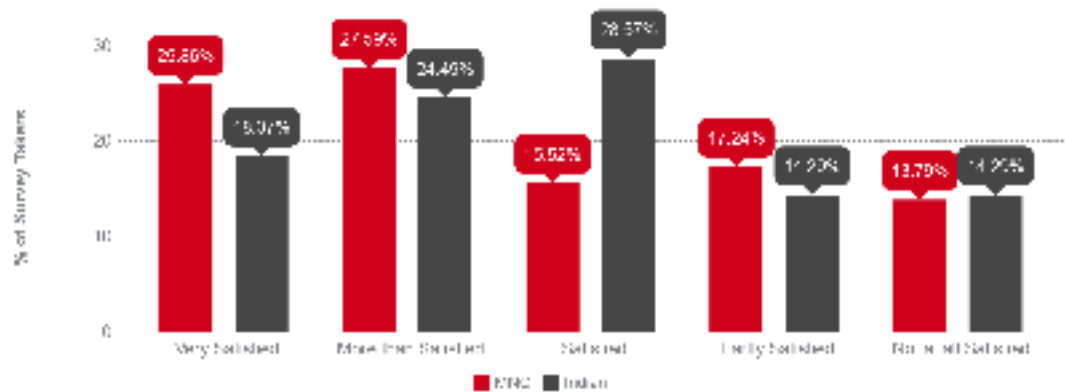
What is your relationship with supervisor like?



Relationships between coworkers is an important aspect of Total Rewards. Our survey indicates that employees in Indian companies have greater support from their Managers for growth and learning



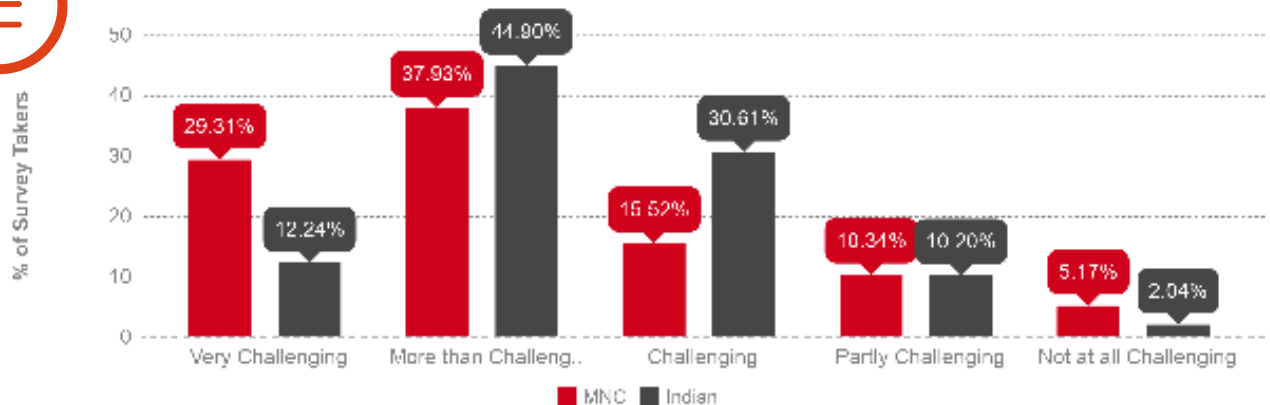
Please rate your Manager's support for your growth and learning.



On further inspection, we found in Indian companies, professionals have a greater appetite for taking business risks in decision making. Also, since many legal teams are undergoing restructuring, systems and processes are coming into prominence. This gives Managers greater autonomy to take risks and try new ways of encouraging learning and development. Managers do not have to go through multiple levels of approvals in doing so. Legal professionals at Indian companies also find their current role and responsibility more interesting and challenging than the ones in International companies



How challenging is your current role and responsibilities on a scale?

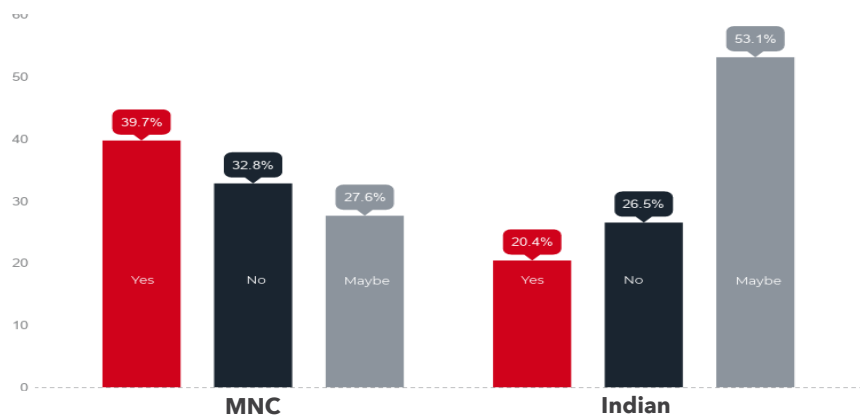


This is down to the fact that many counsel, have access to global top management and India being a growing economy at this point, the complexity and nature of work is keeping legal professionals engaged. When asked if they see a long term career in their current organisation, 53% in Indian companies said maybe, whereas in MNCs 28% were unsure. During our interaction, we found since Indian legal teams are undergoing a different level of evolution in Indian companies, they are more willing to wait and assess their career with the existing company and therefore unsure about the future. On the other hand at MNCs, professionals had greater clarity in terms of their future in the company.





## Do you see a long term career opportunity at your workplace?



## Satisfaction with company policies and culture

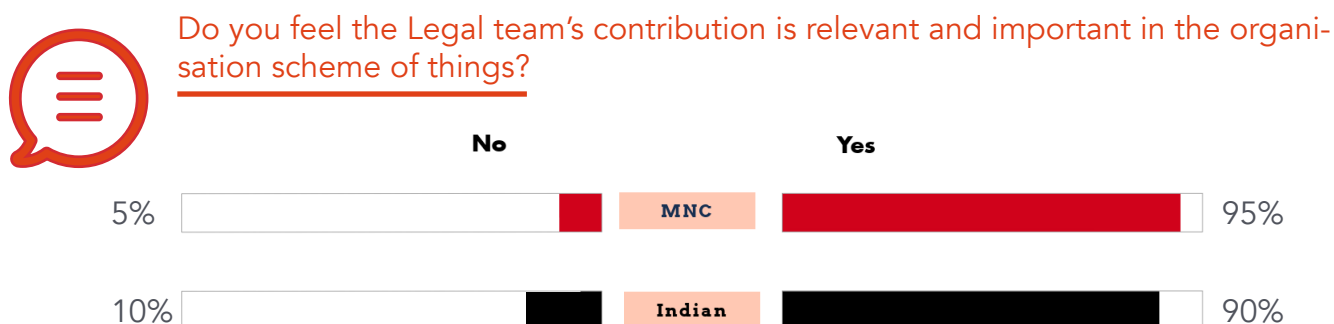
In this section, we will be discussing how employees feel about their organisational culture and overall satisfaction on implementation of policies. Our findings show that both Indian and International companies have an average level of satisfaction between 3-4 (on a scale of 5), with International companies having a marginally higher average rating. In the case of Indian companies, most legal professionals' response to this question was that they had an open and transparent culture within the legal team, which in their opinion was the key differentiator. With regards to culture, our findings were that in International companies 80% said their company consists of positive attributes such as being - fair and meritorious, cohesive and transparent. Indian companies had only 37% choosing these positive attributes. On interviewing legal professionals we learned that though they thought there was transparency and openness within the legal teams, the level of transparency across the organisation, was lower in comparison. **One of the biggest challenge that legal professionals felt was that management did not seek their views before making a decision, which seems to be a major cause of discontent.** Many employees were open about the fact that they had joined the organisation because of a specific desire to work with the leadership of the organisation. According to a General Counsel who has recently moved from a large Indian MNC to an International MNC, *"While considering a move, one considers not only monetary benefits a company provides but also how it treats its people. Though we see Indian companies are getting better in terms of work-life balance and culture, this may take some time."*

In International and Indian companies, the legal teams have started encouraging knowledge-sharing sessions, involving both internal and external professionals. The legal team initiates the discussion and topic relevant to them and HR facilitates these sessions. In terms of rewards and recognition, International companies had more innovation in this area. Most International companies have regular annual meets and leadership programs that they attend where awards are given to top performers. Indian companies have fewer such sessions on a regular basis. However many General Counsels are beginning to attend conferences internationally, thus increasing visibility of the in-house team.

Interestingly, we found professionals working in Indian companies are highly enthusiastic about their work and the impact it creates. It was commonly pointed out was that many professionals gave due credit to the General Counsel or the management for enabling better work culture and acknowledged their work. As mentioned earlier, a majority of employees described their relationship with their Manager as 'mentor-like' or 'collaborative', indicating a level of satisfaction and improved levels of bureaucracy.

## Conclusion

We asked the employees if they felt that the Legal team's contribution is relevant to the overall performance and the response was:



This clearly shows that in-house counsel in International as well as Indian companies feel that their work is valued. Also, it points out that legal as a function is becoming a business partner, in both types of organisations. In our previous edition, we had noted how General Counsel's are placed on the Board's of companies. This study shows that legal teams are evolving and the overall quality of work and recognition has significantly improved. At Vahura we also noticed that Legal professionals are now, able to move to the business side if required. There is also a rise in counsel taking on Public Policy roles, Strategy and Compliance roles along with Legal, therefore increasing their portfolio of responsibility.

Our study points out how tangible and intangible benefits in Indian companies are almost on par with international companies in most aspects, barring a few. We observed that Indian companies are becoming sharper and creative, especially when it comes to offering employees intangible benefits. Vahura has observed that clients are placing higher importance on candidates being a culture fit for the organisation, rather than a mere profile fit. Organisations are becoming more mindful of being able to provide enough growth and learning opportunities for employees. Many legal teams are undergoing structural changes as the business demands and scope of work for legal professionals are being redefined in both Indian and International companies. In order to keep the talent engaged, organisations are ensuring rotational roles which has been effective in professionals being satisfied with development opportunities and growth.

## Analysis of In House Talent Movement (June 2017-February 2018)

The data for this section has been collected by tracking Vahura's mandate closures, as well as by using secondary sources such as information shared on social media platforms, news and relevant media publications. The sample group of this report's study focuses on lateral moves made in the Indian Corporate legal industry, between the months of June 2017 and February 2018. A record of their details, such as their years of professional experience, compensation, industry domains and so on, are kept in order to aid in our analysis. After collating and analysing the information collected, we present a few of our key observations.

### Which location hired the most? (Top 3)



MUMBAI (44.3%)



DELHI (23.3%)



BANGALORE (21.7%)

### Which PQE ranges hired most?



7-10 years (30%)



15- 19 years (20.6%)



3-6 years (14.28%)

### What is the % break up of hiring based on gender?

52%



48%

## Sectoral Analysis:

### Top 3 Sectors



IT/ ITES  
(15.7%)



MANUFACTURING  
(13.49%)



PHARMACEUTICAL &  
HEALTHCARE  
(12.69%)

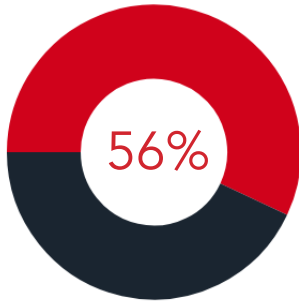
IT/ITES was the top hiring sector, accounting for 15.07% of total hirings made. Nearly 50% of the hirings in this sector were at a senior level (13+ years PQE). Manufacturing closely followed at 13.49% of hirings. It has broken into the Top 3 sectors list, spurred on largely by the government's 'Make In India' campaign. An overhaul of India's infrastructure has led to large scale growth innovation and a building boom. Real estate has also increased significantly. We have noticed an increased demand for real estate lawyers last six months. Interestingly, Bangalore, the stronghold for IT/ITES companies, fuelled by growth of electrical engineering companies, was the location that led hiring in this sector, along with healthy hiring within this sector in Tier 2 cities as well.

Pharmaceutical & Healthcare, rounded up the Top 3, with 12.69% of total hirings, which is a more than 1% increase since last year. Within this sector, 56.25% of the hirings happened in the 7-10 years PQE range, indicating a robust growing sector, that is not top heavy. It has remained in the top 3 growing sectors since 2015. Mumbai was the location, where most of these hires were made. With the government looking to make regulatory changes in this sector, there has been a heavy demand for Intellectual Property, particularly Patent law expertise, and Compliance expertise.

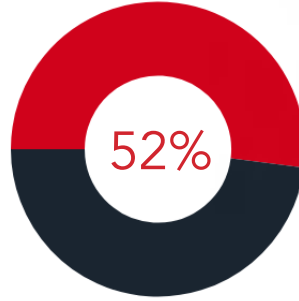
2016 had seen the Financial sector attracting the maximum number of legal professionals. However this year, they did not feature in the Top 3. Hiring in the BFSI and NBFC sector was roughly 8% of the total share, which records a nearly 12% drop from the previous time period. 66% of those hired in the NBFC sector have been above the 10 year PQE, and Mumbai remained the chosen location for the majority, re-confirming its position as the financial capital. According Lee Ignatius, Co-Founder and Head of Private Practice Group, "Whilst there's been a healthy intake of professionals within NBFC's, fintech and alternative financing platforms, the drop in hiring could be on account of a slow moving PSU segment, weighed down by high NPA's. We do expect to see more joint venture platforms in the distressed assets space which will need lawyers with a specialised skill set and ability to work across asset classes."

## Diversity Analysis:

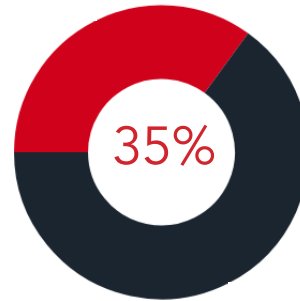
IT/ITES hired the most women. 57% of the hirings were women. Pharmaceutical & Healthcare closely followed with 52% of their hiring being women. Manufacturing, rounds up the Top 3, with 34% of lateral hires being women.



IT/ ITES



Pharmaceutical  
& Healthcare



Manufacturing

Majority of women were hired at the 7-10 years PQE, accounting for 35% of the total diversity hirings made. The 12-15 years PQE range also hired well, accounting for 20% of total diversity hires. The 16-20 years PQE range rounded up the top 3 with 18%. This indicates a massive amount of hiring going on for experienced women professionals. Traditionally these numbers would be low, with women at the 6-9 year range, taking time off for family commitments.



7-10 years (35%)



12-15 years (20%)



16-20years (18%)

# Flexible Talent Solutions for Your Headcount Issues

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## Salary and Benefits Benchmarker Study

In late 2017, Vahura conducted the Salary and Benefits Benchmarker study with legal professionals focussing on compensation, bonuses and the satisfaction levels. Over 1000 legal professionals were surveyed from numerous industries and sectors.

The Benchmarker study is based on the data received from this online survey, which was shared with our database of over 30,000 lawyers.

This report is only intended to provide a general overview of the compensation structures for professionals in reputed Law Firms and In-House legal teams. If you require a more bespoke compensation report tailored for your organization's legal department, please do not hesitate to get in touch: [consulting@vahura.com](mailto:consulting@vahura.com).

For this data, we have analyzed the Median Salary data\*. Median salary is the salary "in the middle." That is, half have salary above the amount mentioned against the identified PQE, and half have salary below the amount mentioned against the identified PQE.

In INR Lakhs

PQE	Law Firm - Boutique	Law Firm - Mid	Law Firm - Large	In House Legal Teams
0-1	5.40	7.20	13.40	5.36
1-2	6.40	8.64	15.62	7.53
2-3	8.60	11.50	18.66	9.13
3-4	9.23	16.40	24.60	12.80
4-5	10.40	17.28	27.75	15.11
5-6	13.50	22.52	30.42	18.00
6-7	15.20	26.88	36.25	24.12
7-8	20.50	36.75	51.31	34.21
8-9	24.12	45.23	62.52	40.31
10+	35.00+	50.00+	80.00+	48.00+

## Salary and Benefits Benchmarker Study: Special Notes

1

Professionals reporting to Group and Global General Counsels receive the highest Remuneration.

2

According to our survey, compensation for male lawyers outpaced female lawyers at all experience levels and sectors. The total compensation for male lawyers was 34.89% higher than female lawyers. While base salaries for male lawyers were 7.62% higher than female lawyers, male lawyers' bonuses were 53% higher than those of female lawyers.

3

Top Paying Sectors:



Financial

FMCG



Pharmaceutical  
& Healthcare

Infrastructure



Infotech

Oil and Gas





## About Vahura



Founded by the alumnus of the National Law School and experienced search professionals, Vahura has pioneered legal recruitment in India and today, services clients across the APAC and MEA regions, with requirements spanning legal, corporate secretarial, regulatory affairs, compliance, and tax domains.

Vahura's expertise also extends to the governance domains, where we enable professional boards by helping companies select and appoint independent directors. Through our consulting services, Vahura works closely with law firms, In- house legal teams and legal services organisations to build capacity and improve service levels.

At Vahura, we take the road less travelled in entering new areas and are driven by the mission to help lawyers do good work.

Some of our other initiatives include:

- Mentorship Programs at Law Schools
- ReLawncnch (<http://relawncnch.vahura.com/>) - a platform enabling legal professionals to come back to work after a break.

We leverage our network to bring people together through our community engagement initiatives such as the General Counsel Conclave, the Private Commercial Mediation Conclave and the Directors Conclave on Corporate Governance.