

September 2011

### From the Chairperson's Desk

Emploi Globale is proud to present the next issue of our newsletter to you.

I would first of all like to thank all our readers for your invaluable feedback on our previous issue featuring Mr. Patrick McGovern's insights on the various facets of leadership.

Continuing our quest to make this newsletter a channel to portray leadership trends across different industries, we present, in this issue, an exclusive interview with Nishith Desai, Founder of Nishith Desai Associates (NDA), one of the pioneering law firms in India. By specializing in strategic legal, regulatory and tax advice for the industry, NDA provides significant value to its clients. In the interview, Mr. Desai shares his insights on attracting and grooming the right leaders, and touches upon the values that companies would derive by having the right talent. Mr. Desai stresses on the importance of an organization's culture and on how executive search firms can play an important role in finding the right kind of senior leadership talent. He also talks about the challenges being faced by his clients in the PE and VC community in hiring the best talent at senior levels.

Every organization needs visionary leaders to blaze the trail for growth. Indian talent today is being sought globally as organizations are looking to dynamically transform business models and ensure their continued success in an increasingly competitive environment. Our India Entry Program continues to be successful as it is striking a chord with international companies looking to come to India. Through the program we engage with companies at a very early stage, and contribute to their India oriented strategy to hire critical leadership talent. Today, under this program, we are serving a wide array of clients across domains including Education, Engineering, ICT, Manufacturing, Infrastructure, Rail and Aerospace.

Our endeavor, in future issues of this newsletter, would remain unstinted in bringing to you the varied leadership experiences and thoughts across industry stalwarts.

We look forward to receiving your thoughts on what else you would like us to cover in future issues.

Wishing you and your family a happy festive season!

### In this Issue

Exclusive interview with  
Nishith Desai,  
Founder,  
*Nishith Desai Associates.*

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## Emploi Globale Updates

### Emploi Globale forays into new industries

We are proud to announce our expansion for executive search in the infrastructure and power industries.

### India Entry Program

Our India Entry Program continues its successful run in assisting more companies across industries in execution of their India Entry Strategy for leadership hires.

To know more about the program, please contact

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**Shalini Sethi**  
Chairperson and Managing Director

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Nishith Desai is the founder of research-based law firm Nishith Desai Associates ("NDA"), and is an international tax and corporate lawyer, researcher, author and lecturer. He was ranked No. 28 in a global Top 50 "Gold List" by Tax Business, a UK-based journal for the international tax community, after a worldwide survey of tax professionals who had influenced tax policies.

### Exclusive Interview with Nishith Desai

#### In the legal field, how can an organization attract and retain good leadership?

Historically, the legal fraternity has adopted a conservative approach of operating, wherein key principles of management which assume paramount importance to run any successful organization, such as intellectual capital and HR management, knowledge management, balance score card etc. have not been embraced with open arms. Being driven and led by individuals the legal practice functioned in a traditional way, only to buttress this disconnect. However, presently the legal profession is witnessing a transition and transformation to inculcate the above management principles in its functioning. Resulting from this metamorphosis, the legal field is standardizing different aspects of management.

One must understand the world of difference in the terms 'leader' and 'manager'. Typically, in organizations, the former is placed at a level above the latter. My perception of a manager is someone who assigns roles and allocated duties and functions to his / her subordinates. The manager is endowed the responsibility of ensuring the role or functions assigned to his / her subordinate is dutifully carried out and executed, failing which the manager is empowered to take stringent action, given the manager shoulders the delivery of tasks, so to speak. A manager, therefore instructs and directs i.e. supervises subordinates their roles / functions and how to perform / execute the same. On the other hand, a leader does not instruct subordinates, in fact a leader inspires his / her juniors, who in turn function and deliver. They observe and constantly seek to emulate the leader's character, style and mannerisms. Inspiration is the key to understanding this difference.

In the legal profession, ethics is the foundation of leadership. Traditionally, lawyers have attained this status of a 'leader', be it in the Indian society or the country as a whole. Now most law firms are increasingly becoming economic organizations in an endeavour to take management to the next level.

According to Indian law, partnerships cannot have more than 20 partners. We now have Limited Liability Partnerships (LLPs), a kind of a hybrid between a partnership and a company. Under LLP, the limit of 20 partners is not applicable. The industry is also looking for this to be implemented, so that they can beneficially avail of this to attract and retain good leadership.

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### How would you groom a potential leading lawyer to also be a future leader?

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While there is no structured leadership programme in a majority of the law firms, we have adopted a more carefully planned training programme which enables a person to graduate to a leadership-oriented role. We have a special training programme comprising of two hours in the morning (8 to 9 AM) devoted for management training, where the people are trained in both management theory and practice. They discuss

financial management, HR management, and cross-selling between different practice areas, balance score card, marketing & process management. One or two persons, 'anchor's' as we call them remain present in the office with the necessary content and material to be discussed per the agenda for the morning call, while the rest join this call by phone, constructively using their travelling time. During this training people learn about level 5 leadership, blue ocean strategy, balance scorecard etc. A great deal of learning occurs at this stage, since these concepts are fairly alien to most lawyers. Imbibing these concepts, therefore, provides the first step to the graduation to a leader.

The morning call is followed by a technical training session, from 9 to 10 AM on law and tax. We believe that this technical training or 'continuing education' (as I call it) allows one to develop capabilities and acquire a higher intellectual quotient. These practices make our members – future leaders by allowing lawyers to find causes and fight for those causes. Our training therefore comprises of theories and case studies. According to a recent survey conducted by RSG UK, our firm was credited for providing the highest level of satisfaction at an associate level. Our professionals were found to be most trained. This only validates our specific approach to leadership.

We are focusing on the right aspects and enabling our people significantly. We also treat everyone like a leader and a partner from day one. We don't have a rigid hierarchy in our organization because we believe that hierarchy only serves a functional purpose as opposed to becoming a power centre. I realised this truth on studying innumerable law firms prior to setting up this firm wherein hierarchies only related to power centres, fancy designations and titles. We believe people should become inspirational leaders. An interesting consequence emanating from these practices and beliefs is that our organization has become a leader in the legal profession. We have been credited for effectuating innovative and far sighted things – projects and assignments, which have now become intrinsically imbibed in the firm's culture. It has been a case study in management. (<http://www.nishithdesai.com/nishithdesai.htm>)

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### As a leading law firm for Private Equity and Venture Capitalists what would be the challenges in hiring best senior talent?

When the private equity firms first came to India, there was no clear understanding of what fund management meant. Most of the talent

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came from abroad, and fund managers slowly migrated to India. After 10 to 15 years, people have now figured out that this is a very exciting field to be involved in. So both Indian and foreign entrepreneurs and intrepeneurs have joined the fray. As a result India is now witnessing well trained talent. Indian now provides an attractive funds space, so there is reverse migration with regard to fund managers in India.

The challenges that these funds face would be similar to any other firm where retention is a major challenge. As people begin to grow and mature, they feel that they can raise funds as well and branch out to set up their own firms.

In the private equity space, the talent pool is significantly increasing. But I don't think there are any specific challenges. Compared to other specialties and financial service sector, the main differentiation would be the 'mindset'. As venture capital and private equity player, one needs to be able to take risks and play on their 'gut' feel. In the private equity industry, the incentive formula remains the same. Within the firm, there are challenges like distributing the money and beyond that, within the talent pool who draws what is a question for the private equity firms to address.

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### **With respect to high growth and restructuring of companies, do you see a new type of leadership emerging?**

More and more businesses are increasingly restructuring after reaching attaining a certain level of growth. In this scenario, there is a provision for leaders who can excel by handling these spin-offs from the bigger company. Sometimes companies go public or merge. As a result, people who are leading these companies share the upside of the proceeds, and ensure that leadership moves forward. The challenge is in growing these businesses further.

The first quality that should be possessed by a leader in such companies is to have a vision. Many of them have a tunnel vision. If the vision is to make money, rather than be excited about taking the company forward, such an approach being short-sighted may be hindered by numerous issues. Several problems may have to be tackled as a result. The leader should instead, be excited about growing the company, nurturing it through the highs and lows, and incubating an idea and executing it successfully. Only then can passion precede and as a result they will have the potential to become successful players in the long run. There are also cultural issues which may arise, which the leadership will have to tackle.

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### **Can you share insights of Indian Organisations filling critical leadership positions?**

A lot of talent is being attracted in India. We now hire people from all over the world. Foreign talent wants to join Indian organizations, and Indian companies are also becoming a benchmark for multinational companies. A lot of

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established Indian companies have discovered excellent leaders who drive such companies through periods of turmoil when the company faces critical situations. Such situations require leaders who have a zealous drive and extra ordinary application of such passion to become successful.

Rival companies are also competing for the same talent. Indian organizations are occupying critical leadership positions by creating newer opportunities to attract the best talent. These opportunities range from creating newer verticals and diversifying into newer areas.

One interesting observation is that the technology industry is growing faster. This rapid growth is attributed to the well trained and educated contributors to this industry, many of whom are trained and educated abroad. Such persons have demonstrated a phenomenal ability to understand the culture overseas and then create a unique blend of applying this learning when they start working for Indian companies.

**What role do you see for executive search firms anchored out of India, in assisting clients to hire for strategic positions?**

I see an important role for Indian search companies which understand the cross culture and Indian culture, and use this understanding in hiring the right talent. Search companies should become international and help clients find resources from all over the world. At this point

there is much talent in the U.S., Europe and other developed countries and this is a great opportunity for Indian search companies to help in hiring such talent. However search companies should concentrate not only on identifying the right talent, but also have to give due regard to the cultural and ethical aspects, while running an organisation. If search companies develop an art of identifying people who are efficient, effective and with the potential to become leaders, they would be providing the differentiating factor.

**What do you feel would be the role of Search Firms in the Legal Industry or any other industry ?**

As law firms expand or scale up, they would need to fill in the critical gaps in their chosen areas of practice. The search firms help by recruiting the eligible people. There is not much expertise available for the legal industry. While technical skills are required. Today, the biggest risk for an organization is the dearth of ethics. It should be highlighted that a few people can tarnish the reputation of the entire organization. As organizations become larger, it becomes difficult for them to institute ethical policies. Honesty, integrity and ethics are going to drive organizations in the next decade. The role of search firms will be to identify technically skilled people with very high levels of ethics and integrity.

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Please send your feedback on this newsletter to  
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