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EXECUTIVE SEARCH IN INDIA: REMUNERATION, CANDIDATE EXPECTATIONS & RECRUITMENT PRACTICES

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RECRUITMENT IN INDIA: PRACTICAL INSIGHTS FOR INTERNATIONAL SMES

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India has become significantly more important in recent years as a target market for European SMEs and US companies. Sustained economic growth, major infrastructure investments and the high availability of skilled workers make the country a forward-looking market focus for many businesses. Furthermore, due to increased uncertainties in business with China, many companies are seeking to diversify their supply chains and locations.

Market entry typically follows a three-stage process: after initial sales activities via local Indian trading partners, a company establishes its own subsidiary (Private Limited), before some companies move on to setting up their own local production operations.

During each phase of local growth, the question arises regarding suitable executives to manage the business in India on an operational level.

Location factors in recruitment

Traditionally, the region around Pune was first port of call for German companies, mainly from the automotive and mechanical engineering sectors. In recent years, the greater Bangalore area and Chennai have caught up significantly. Depending on the sector and its proximity to customers or suppliers, Hyderabad and the National Capital Region (NCR) around Delhi now also play an important role.

This geographical spread also affects the recruitment process: Indian top managers prefer to live and work in the major cities. As a result, finding candidates for positions outside these centres requires a particularly labour-intensive search process.

Key aspects of India's executive recruitment market

As employers, medium-sized German companies in India are in direct competition with international corporations and leading local firms. The following factors should be strongly considered:

- **Direct recruitment approach rather than a ‘wait-and-see’ position.** Experienced, qualified managers must be approached proactively and offered an attractive overall employment package.

- **Stability as a critical factor when changing companies:** Top managers are looking for financial stability, the company’s past performance and the long-term plans of the parent company abroad.

German planning vs. Indian agility

In day-to-day operations, European and Indian companies often approach recruitment in significantly different ways. Most European SMEs adopt a structured approach to recruitment. In particular, they focus on industry knowledge, technical skills, cultural fit and an awareness of compliance. Furthermore, several decision-makers at the European head office and on the ground are usually involved, which slows down the recruitment process.

Meanwhile, Indian companies, particularly, owner-managed firms, are strongly focused on immediate results in the shortest possible time. There is a demand for pragmatic managers with in-depth market expertise who can step straight into operational roles. Whilst European organisations are still evaluating candidates, local competitors often fill vacant positions at very short notice. Delays in coordination between the European head office and the branch office frequently result in the loss of the most qualified candidates to competitors.

Typical pitfalls during the set-up of the Indian executive team

1. **Applying the parent company model:** German parent companies occasionally replicate their extended selection processes and leadership structures when it comes to their Indian branches. This results in delays in filling local vacancies.

2. **Misinterpretation of candidate profiles:** During first contact, some candidates might make a good impression, with their perfect English skills and international CVs. However, the operational drive and local network – both crucial for the Indian market – get overlooked or insufficiently evaluated during the selection process.

3. **Increased coordination requirements:** We often see decision-makers in parent companies having differing expectations of the target profile. The resulting time-consuming coordination process often leads to the loss of qualified executives to competitors if these differing requirements first become obvious during the interview process.

Job Profile and Operational Success Factors

Finding the ideal candidate for the Country manager position is crucial to the success of any business. Candidates for this key role must, on the one hand, have a thorough understanding of the Indian market and be able to lead local teams, and, on the other hand, facilitate the integration of the local Indian company into an international corporate structure.

The job profile, is therefore, defined by three strategic areas of competence:

- **Transparent two-way communication:** The manager must ensure reliable, data-driven reporting to the European head office. They must also be able to apply the parent company's guidelines pragmatically to the Indian market, which is strongly relationship-driven.

- **Strong stakeholder management skills:** The manager must build strong relationships with their colleagues, local business partners, and the authorities.

- **Patience and resilience:** In addition to the required professional qualifications, intercultural openness, sensitivity, and resilience play an important role in the success of any company.

SUCCESSFUL RECRUITMENT IN INDIA: DO'S AND DON'TS FOR GERMAN HEADQUARTERS

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DOS:

1) Confidentiality of candidates

The senior leadership community in India (Director level+) is tightly knit. Candidates often know their counterparts in competing firms. German companies often underestimate the risk of local information leaks: Indian interviewers or stakeholders may have personal ties to the candidate. Premature disclosure damages the candidate's standing and leaves them professionally vulnerable with their current employer. For your company, it signals poor discretion, permanent reputation damage and making future executive hiring in India significantly harder.

What this means in practice:

- **Be explicit:** Instruct every internal stakeholder and your India-based hiring panel to keep the candidate's name and status strictly confidential until an offer is accepted.

- **Limit exposure:** Restrict the number of people who know the candidate's identity until late in the process.

- **Build early trust:** Proactively tell senior candidates how you will protect their confidentiality before they have to ask. This single gesture builds more trust than almost anything else early on.

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2) Move With Structured Speed

Once a senior Indian candidate signals genuine interest, momentum matters greatly. The best profiles in the Indian market typically run three to four parallel conversations at any given time. Silence from the hiring company is quickly interpreted as disinterest. Top talent is frequently lost not because a competitor offered more, but simply because they responded faster.

What this means in practice:

- **Share the timeline early:** Communicate a structured, time-bound hiring process with clear milestones on Day 1. This is seen as a mark of organizational maturity.

Maintain active contact: Ensure regular check-ins between interview steps to keep the candidate engaged and signal commitment.

3) Be Explicit About Growth Path and Autonomy

The Indian leadership talent, particularly from multinational environments, is acutely sensitive to two questions:

1. Where does this role go in 3–5 years?
2. How much real decision-making authority will be granted?

Flatter structures and leaner regional teams in the German Small and Medium Enterprises (SMEs), are a genuine advantage. However, ambiguity is often interpreted here as limitation.

What this means in practice during the interview:

- **Define operational framework:** Spell out clearly what P&L ownership, team-building rights, or board-level access will look like.

- **Communicate the future growth path:** Address the long-term career path and decision-making autonomy directly during the conversation to remove any doubts.

4) Lead with Brand Story, Not Just Job Description

Indian senior professionals with 15 to 25 years of experience are evaluating a company's legacy, not just a role. Most Indian candidates have never interacted with an SME, and will default to assuming it is a small employer with limited opportunities.

What this means in practice:

- **Pitch the legacy:** Take time to explain your company's history, ownership structure, and long-term vision.

- **Reframe the perception:** Highlight the strengths of German family-owned businesses—stability, craftsmanship, and generational thinking. This narrative is deeply respected in India but must be told proactively.

DON'Ts:

1) Don't Bring an Auditing Mindset to Early Conversations

German business interactions traditionally favour getting straight to metrics, and technical cross-examination. In India, leadership hiring moves entirely at the speed of trust.

- Treating the first interview round like a rigid performance audit, without a warm, informal build-up causes senior executives to perceive the company environment as cold, micromanaged, and adversarial.

2) Don't Blindly Impose Global Title Frameworks on the Indian Entity

Mid-sized German firms often try to standardize titles globally, offering seasoned local leader understated roles like "Senior Functional Lead" or "Site Leader". In India, corporate titles carry immense social capital and operational authority.

- Without the market standard title like "Managing Director" OR "General Manager", local leaders will struggle to command respect when dealing with major domestic clients, suppliers, or local authorities.

3) Don't Assume a Candidate Who Negotiates Hard is Being difficult:

In the Indian senior market, negotiation is not adversarial – it is a deeply practiced and expected part of the closing ritual.

- Pushing back on compensation, titles, or joining dates is a signal of genuine engagement. Meaning that companies reacting by stiffening or withdrawing goodwill often lose their best-fit candidate right at the finish line.

CASE STUDY: RECRUITING A NEW MANAGING DIRECTOR FOR AN INDIAN SUBSIDIARY

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1. Background

Our client, a medium-sized German supplier to the metallurgy sector, had been operating successfully on the Indian market for around 20 years. Until then, business had been conducted via exports from Germany and managed by a local sales organisation. However, with the dynamic growth of the Indian steel industry, the company decided to take the next strategic step: establishing a production plant.

The plan involved an investment in the high double-digit millions. In addition to a modern production plant, a logistics centre and a research and development department were to be set up. The new company was intended not only to supply the Indian market from local production, but also to act as a regional hub for South and South-East Asia.

This decision also fundamentally changed the requirements profile for the Managing Director. What was now needed was not a traditional sales manager, but a leader who would take overall entrepreneurial responsibility for the entire organisation, including production and the supply chain.

2. Objectives

The future Managing Director was to implement the company's growth strategy at an operational level, whilst acting as a link between the German headquarter and the Indian branch. In addition to taking over the management of sales, production and profit performance, key tasks included establishing a strong local organisation, introducing European quality and compliance standards, and developing long-term customer relationships within the Indian steel industry.

The company was looking to recruit a leader with a technical university degree, comprehensive profit and loss (P&L) management skills and proven experience in international industrial companies. Equally important were intercultural leadership skills, strategic thinking and the ability to combine European management principles with the specific characteristics of the Indian market.

3. Outcome

Within five weeks, we presented our client with the profiles of four highly qualified candidates, ideal for the position of Managing Director. All the candidates were Indian nationals with managerial experience.

The recruitment process, which lasted a few months included a number of internal decision-making rounds within the company, and face-to-face interviews in Germany. The latter involved visa related logistics.

The average age of the finalists was 53. All had more than 25 years of professional experience and mostly over 15 years of leadership experience, with comprehensive P&L responsibility. All candidates had built their careers in international industrial companies and were as familiar with the management and decision-making processes of European group headquarters, as they were with the requirements of the Indian market.

In addition to their proven operational skills, they had extensive experience in establishing new production sites, managing complex transformation projects and leading large organisations.

The negotiations were based on the Cost-to-Company (CTC) principle, which is standard practice in India, whereby all components of remuneration, from bonuses and company cars to insurance benefits, are included in a single total package. The two market-leading finalists had current total remuneration packages of around 110,000 euros and 130,000 euros CTC per year respectively. They expected a salary increase of around 20 to 30% for a move, meaning that market-rate target remuneration ranged between 132, 000 and 170, 000 euros CTC.

A decision was finally made. One of the four candidates that CT Executive Search presented was selected for the position, and has successfully taken over operations in India, as Managing Director.

This assignment shows that executive search in India goes far beyond simply identifying suitable executives. The key to success lies in the ability to attract candidates who combine technological expertise, international leadership experience and entrepreneurial thinking with a deep understanding of the Indian business culture. Particularly, with investments of this magnitude. This combination often determines the long-term success of a subsidiary.

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EXECUTIVE SEARCH EXPERTS IN EASTERN EUROPE AND THE EMERGING MARKETS

CT Executive Search focuses on placing key positions in Eastern Europe and the Emerging Markets – in CIS, Africa, the Middle East and Asia. We are experts in cross-border search processes and identifying high-performing candidates, adding value to international companies. Leveraging a broad network of analysts and consultants across Eastern Europe and the emerging markets, CT Executive Search has established itself as a reliable partner to well-reputed multinational companies.

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