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"INDIA HAS MANY CONFIDENT, ARTICULATE CANDIDATES"

Are your clients considering entering the Indian market? Whom are you currently working with, and does their plan include building an executive leadership presence in the region?

In India, we primarily work with medium-sized companies from German-speaking countries. At this point, we have been led to believe that India has become a high priority for many businesses—a notable shift from when the country received relatively little focus. This change is driven by rapid economic growth, significant investments in infrastructure, and the modernization of the industrial base. Moreover, numerous businesses have reviewed their market entry strategies due to the growing uncertainty affecting business activities in China. Politically, Indian business ventures also enjoy strong support, as demonstrated by the recent German-Indian government consultations and the Asia-Pacific Conference of German Business in October.

These developments are fuelling numerous new business establishments in India. Many companies are adopting a phased approach to business expansion, beginning with headquarters-based sales efforts and gradually establishing a local sales office to support regional growth. This is often later expanded with local production facilities or product adaptations tailored to the Indian market.

Where are the companies that you recruit for based, and what does the hiring process look like?

The traditional cluster for German companies in India is Pune, which remains a popular destination for new investments. However, location choices are becoming increasingly diverse. In addition to the Bangalore metropolitan area, Chennai is gaining significant traction. Depending on the industry and specific requirements, such as proximity to customers and supply chains, other locations like Andhra Pradesh or cities in northern India are also considered.

We have a team based in New Delhi dedicated to identifying and approaching candidates, as well as a partner firm in Mumbai, with excellent networks within the Indian industry. Leveraging robust local research capabilities, and expertise in evaluating candidates from both European and Indian perspectives, we deliver high-quality, efficient talent acquisition and project execution.

What makes executive search in India unique?

The process of searching for and selecting executives in India is largely similar to other countries. The key is finding candidates who understand the local market dynamics and fit seamlessly into the structures of an international company. For the role of a Country Manager, the ability to bridge intercultural gaps is especially critical.



Christian Tegethoff

Managing Director,
CT Executive Search

India now boasts a substantial pool of qualified executives, complemented by "local expats" – Europeans who have permanently relocated to India. The country is home to many confident and articulate candidates, who excel in presenting themselves. However, it is crucial to thoroughly verify references and validate the stated qualifications. Cultural differences make it necessary to evaluate candidates from both German and Indian perspectives to ensure the best fit.

Significant cultural differences also exist within India itself. With 28 states and eight union territories, the country encompasses immense diversity in cultures, religions, and languages. These factors play a role in team composition, especially, when managers from different regions are tasked with leading locally assembled teams.

What advice do you have for European companies looking to recruit a Managing Director for their Indian subsidiary?

Some key points have already been mentioned. In summary, the following aspects are crucial:

- 1. Intercultural Competence:** Select a leader capable of bridging the gap between the Indian subsidiary and the corporate headquarters. Candidates with prior experience in similar companies should be prioritized. Consider both local leaders and "local expats."
- 2. Thorough Reference Checks:** Have your recruitment consultant rigorously verify the candidates' references to confirm their qualifications.
- 3. Realistic Compensation Expectations:** While wages for employees in India are low, top management salaries are approaching international standards. This should be factored into salary planning.

In the medium term, it is beneficial to provide development opportunities for executives and invest in their training and education. India is likely at the beginning of a long-term growth trajectory, offering ambitious executives many attractive opportunities both within and outside their company.

"COMPANIES OFTEN HIRE THE WRONG PEOPLE."

What brought you to India and how long have you been here?

I've been in India since 2006. Initially, I lived in Delhi for seven years, then in Bangalore for five, and now I'm based in Pune. I studied business administration at the Nürtingen University of Applied Sciences, where I did an internship in India. During that time, I met my future wife, who is Indian. We initially lived in Germany but moved to India nearly 19 years ago, where we also enrolled our two children in school. Over the years, I've worked as a managing director for various international companies here, gaining experience across different industries and supporting firms in entering the Indian market.

What is the corporate culture and employee experience like in India? Do they differ from those in Germany?

Work in India is very relationship-oriented, whereas in Germany, the focus is more on processes. As a managing director, my task is to bridge these different approaches to meet the demands of the German headquarters, without overwhelming local employees. Often, finding a middle ground is essential for success. For example, Indian employees find it challenging to say "no," which is more acceptable in Germany. In India, disagreement is often expressed indirectly, and it's important to understand these nuances.

Another difference lies in handling criticism. Here, criticism should generally be given one-on-one to avoid putting someone on the spot. The Indian society is highly hierarchical, with divisions not only along religious lines, but also by wealth and geographic origin. It can be challenging for Indians from different social groups to communicate with one another. As foreigners, we often have the advantage of not making these distinctions, which helps us to mediate effectively and improve team efficiency and success.

How complicated is the regulatory and administrative environment in India?

India is extremely bureaucratic, and this varies from state to state. Although digitization has reduced corruption, the bureaucracy remains extensive. For newcomers, this can be overwhelming. It's crucial to quickly develop a basic understanding of regulatory issues, so that the team can then handle the details.

Another major challenge is the unions. Their influence and local legal regulations differ from those in Germany. Management must be attuned to this when dealing with them. Therefore, an expat should gather information in advance and seek qualified support early on.



Michael Schade

Managing Director, FIT VOLTAIRA INDIA PVT. LTD. ** (formerly: PRETTL Automotive India Pvt. Ltd.). The company is part of Foxconn Interconnect Technology and manufactures customized solutions in connectivity, sensors, and electrification for the automotive industry with 250 employees at its Pune location.

What advice would you give to a German company looking to enter the Indian market?

A thorough market analysis is essential: How large is the market? What products does the competition offer? And how might our own products need to be adapted?

Market entry into India should not be rushed, but rather, approached in a structured and planned way.

Choosing the right employees is equally important. I often see companies hiring the wrong people. Indians generally have strong social skills, and it can be difficult for German HR professionals to realistically assess candidates. There is a risk of being impressed by eloquent candidates and ending up hiring a "storyteller."

What is daily life like for you as an expat? How does it differ from life in Germany?

After all these years, India has lost its exotic factor for me. Indian food is naturally easy to come by, but nowadays, you can also find many European and German groceries. Spätzle and barbecues with steak are still challenging to organize, as cows are sacred in Hinduism.

I enjoy sitting in a café on Königstraße in Stuttgart. India doesn't have pedestrian zones and cafés in that form; coffee is more commonly enjoyed in malls. However, there are many restaurants and pubs, especially in large cities like Delhi or Mumbai. For those who know where to look, there are also restaurants with excellent local cuisine.

Germany offers more advanced options in traffic management, infrastructure, waste management, and environmental protection by comparison. Encountering extreme poverty can be distressing for foreigners. It's often difficult to process when you're sitting in an air-conditioned car and people approach you in extreme heat, begging for their livelihood. Everyone must find their own way to cope with these experiences according to their religious and ethical beliefs.

What is your perspective on the economic growth potential of the Indian market?

I am absolutely "pro-India" in this regard. The next ten years present immense opportunities here. India is currently undergoing a development reminiscent of Germany in the 1960s. Moreover, the Indian government is inviting foreign companies to India and promoting investments in production facilities, with extensive subsidies. The demand for goods and services is high in almost every industry. Any company that sees an opportunity should not miss out on the Indian market.

However, this doesn't mean every product will succeed here. The market is highly competitive, making price a major decisive factor. German companies should adapt their products to align with the Indian cost structure and capitalize on India's advantages, including competitive labor costs and a strong pool of skilled engineers.

NEW STARTUP FACTORY IN THE EMERGING MARKET OF INDIA

The recent Asia-Pacific Conference of German Business in October in New Delhi highlighted India's role as a key emerging market – particularly, for German medium-sized companies. With consistently high growth rates, and as the world's fifth-largest economy, India remains an attractive long-term market.

Factors such as a young population, competitive labor costs, relatively low public debt, and an increasingly investor-friendly business environment are driving India's economic development. According to forecasts, India is set to become the world's third-largest economy by 2031, at the latest.

Government reforms under Prime Minister Modi, including the introduction of the Goods and Services Tax (GST) and the Production Linked Incentive (PLI) program, are creating a pro-business environment. These reforms support long-term goals such as expanding the manufacturing sector and developing infrastructure – critical pillars of India's growth strategy.

Geopolitical shifts and the diversification strategies of multinational corporations are further positioning India as a key player in global supply chains. Tensions between the US and China, along with trade barriers, have led many companies to seek alternatives to China. India's abundant labor force, growing infrastructure, and government incentives make it a natural beneficiary of this trend.

For German companies, however, India remains a challenging market. According to the recently published German-Indian Business Outlook by the German-Indian Chamber of Commerce, nearly two-thirds of the over 2,000 German subsidiaries in India cite bureaucratic hurdles and deviations from international standards as the biggest obstacles to market entry. Nonetheless, having a local presence is indispensable.

New Startup Factory near Chennai

Given the growing interest in local value creation, we have decided to extend our proven production incubator model from China and the USA, to India. With the Startup Factory India, we offer a unique service concept for European medium-sized companies aiming to establish subsidiaries in India for production, assembly, service, or sales. From May 2025, four thousand square meters (4,000 sq m.) of office and production space will be available near Chennai, Tamil Nadu.

Our guiding principle, "Sharing Success," is at the heart of this project. We are pleased to have GPS, an experienced partner in Chennai, on board. GPS has been supporting German companies with localization and production setup for nearly 20 years.



Bernd Reitmeier

Founder of "Startup Factory". The Startup Factories in India, China, and the USA serve as business incubators for medium-sized German companies looking to expand their presence with assembly, production, or repair facilities, as well as application centers.

In the initial phase, up to ten companies under the Startup Factory roof in Sriperumbudur will share management and infrastructure resources – from meeting rooms to office and production facilities, and even forklifts. As in other markets, a network of experts will support us in implementing our projects. We are particularly excited about collaborating with CT Executive Search.

At this point, one thing is certain: Success in India will depend on companies' ability to attract the best talent.



EXECUTIVE SEARCH



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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