

Foreign Subsidiary: Hiring the Right Leader

Hiring a leader for a foreign subsidiary may look familiar: your group has filled roles such as Managing Director, Plant Manager or Head of Sales many times at headquarters. Yet in Poland, France or Canada, the same search suddenly becomes much more complex.

In this situation, many decision-makers rely on the approach that has proven itself in the home market: the same job profile, the same salary logic, the same search channels. That is understandable but it is also where cross-border searches often stall.

This article offers guidance on what changes when hiring for a foreign subsidiary, where international searches can typically fail, and how to secure the right leader for your subsidiary.

A Familiar Role in an Unfamiliar Market: What Changes

The title on the organisation chart stays the same – the framework conditions do not:

- a) **Talent pool:** Abroad, different industries, competitors and career paths shape the relevant candidate market. A profile that is common in one country may be a rarity in another. According to ManpowerGroup's [Global Talent Shortage Survey 2026](#), 72% of employers worldwide report difficulty filling roles. Among the most affected are Slovakia at 87%, Greece (84%) and Germany (83%) – whereas the least affected include China (48%), Poland (57%), and the Czech Republic (61%). Scarcity is the norm, but how it manifests differs from market to market.
- b) **Candidate expectations:** Compensation structure, bonus model, company car policy, notice periods or the need for security vary considerably from country to country. In some places, the stability of an international parent organisation is a convincing argument; elsewhere, candidates prioritise how much room for manoeuvre the local managing director will have.
- c) **Leadership culture:** What counts as decisive leadership at headquarters may seem authoritarian in one country and hesitant in the next. As Erin Meyer shows in [Harvard Business Review](#), attitudes towards authority and the way decisions are made are two separate dimensions: a leader may be expected to respect hierarchy and, at the same time, build consensus. According to [Gallup](#), managers account for around 70% of the variance in employee engagement. A cultural mismatch at the top, therefore, quickly becomes a performance issue for the entire organisation.

Where Cross-Border Searches Typically Fail

Our experience shows that international searches rarely fail for lack of candidates, but at three predictable points:

- **The brief:** The profile is written at headquarters – and for headquarters. Reporting lines and KPIs are described precisely; by contrast, the local organisation abroad, the subsidiary's market position there and the real scope for decision-making barely feature.
- **The benchmarks:** Salary levels, titles and seniority are copied one-to-one from the home market. The result: an offer that is either uncompetitive or out of proportion to the local structure.
- **Access to passive candidates:** The best local leaders are rarely on the lookout. They are best reached through trust, local networks and a direct approach in their own language that reflects



their business culture – whereas job ads or calls from consultants without market knowledge can even prove counterproductive.

Mis-hires come at a price: according to [McKinsey](#), 27% to 46% of executive transitions are regarded as failures or disappointments after two years.

The Lead-Partner Model: Headquarters' Relationship + Local Market Ownership

This is exactly where the lead-partner model of [CFR Global Executive Search](#) comes in. It combines what a single provider can rarely deliver: a trusted relationship with headquarters and genuine ownership of the local market. In concrete terms:

- **One contract** with either the CFR partner in your own country or directly with the partner in the target market.
- **One invoice, one reporting** no matter how many partners are involved.
- **Clear roles agreed upfront** whereas either your trusted partner at home retains the lead and coordinates the search, while the local partner covers the target market. Or the lead passes entirely to the CFR partner in the target country, with your existing partner at home accompanying the mandate in an advisory capacity.

Which model fits depends on the type of search and on your preferences. With partner firms in numerous countries – including Belgium, Poland, Sweden, Switzerland, Austria, Slovakia, Slovenia, Serbia, France, Ireland, Canada, Mexico, and New Zealand – CFR combines extensive international reach with specific local market knowledge.

Step by Step: How to Hire a Managing Director for Your Foreign Subsidiary

1. **Briefing:** Headquarters, local stakeholders, and the CFR partners define the role together – covering the strategic mandate, reporting lines, decision-making authority, and success criteria for the first 12 to 24 months.
2. **Local calibration:** The local partner checks the profile against market reality: Which requirements are realistic, which compensation is competitive, which titles and benefits are expected?
3. **Market mapping:** Target companies and potential candidates are identified systematically – among competitors, in adjacent industries and within international groups in the region.
4. **Direct approach:** Consultants who know the candidates' language and professional environment approach them discreetly.
5. **Selection:** Interviews and assessments combine headquarters' criteria with local insight – with a focus on professional expertise, leadership style, and cultural fit with the group as well as with the local team.
6. **Offer:** The local partner advises on local practice – from contract structure to notice periods – and accompanies the candidate until onboarding.

Checklist for Headquarters Before the Search Starts

- Is the mandate clearly defined: turnaround, growth, integration, or stabilisation?



- What decision-making authority will the new managing director have, and who is their counterpart at headquarters?
- Who participates in the selection and the final decision – at headquarters and on the ground?
- Do we understand the market conditions in the target country, and is the compensation framework flexible enough?
- Which languages are required: the group language, the local language or both?

Conclusion: A Familiar Role, New Rules

A leadership role abroad is never merely a copy of the same role in the home market. Success requires clarity at headquarters and sound local market knowledge – as well as a set-up in which both mesh seamlessly. Those who align the brief, the benchmarks, and the approach with the target market early on reduce the risk of a costly mis-hire.

Planning a leadership hire for a foreign subsidiary?

Contact us so we can connect you with the right partner in your target market. Together, we will define the right set-up for your search: one point of contact, one contract, local expertise.

