**ABSTRACT**

There is ample literature on expatriate management that presents a parent company’s point of view on this issue. A consideration of subsidiary management from the local perspective is missing. Relationships with foreigners (including expatriates) are crosscultural interactions and their effectiveness is affected by cultural factors. Therefore, in this article there are questions that need to be answered:

1. What role does an expatriate play in breaking cross-cultural barriers?

2. What values should drive an expatriate to run a foreign subsidiary effectively?

3. What roles do local managers play in solving cross-cultural problems?

There are several additional questions that should be addressed. The answers can provide understanding of the general perception of expatriates by subsidiaries’ staff and what should be done to improve human resources techniques as well:

1. How are expatriates viewed by the host country lower-level managers and local peers?

2. Does a host country point of view enrich understanding of reasons for expatriates’ failures?

3. How to improve HR techniques concerning expatriate management with regards to running a foreign subsidiary?

The article tries to address questions mentioned above.