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Winter 2002

“Being Orderly when hiring” - DIN 33430

In Germany, now, everybody would know exactly what this is about—order and structure. A new DIN standard: Something emerging from chaos into the realm of order by way of many years of meetings and political activity.

Testing (including the famous handwriting test and the equally familiar visual test – the picture of each candidate) is an important part of the process for assessing and selecting potential employees in much of Europe.

services were sold by non-psychologists and there was “no control or regulation,” of that process.

As a result, nearly a decade ago a group was formed to focus on “Requirements for Procedures / Methods and their Applications in the Context of Judgment of Professional Aptitude”. The result was DIN 33430, Standards in Testing and Assessment, published in 2002.

Everyone who experienced past changes in standards knows from experience that DIN wants to be taken very seriously, and any violation of its norms would bring a one-way ticket into professional marginalization (the refusal to use a new federal standard for metrics instead of the traditional systems, as in the US, would be unimaginable in Europe).

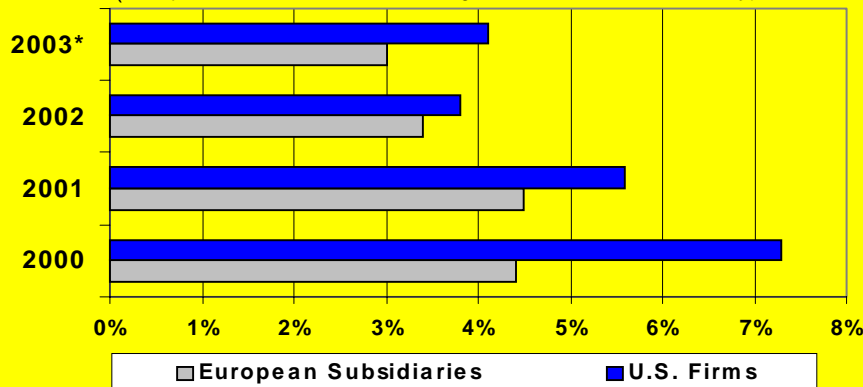
The bottom line is, if the hiring entity in Germany decides to use a formal assessment of candidates, it had better be based on DIN 33430.

At least is reassuring, however, that parties involved in development and approval of this new standards have stated that the new norm is “not a law” and will not “take away the right of the company to make hiring decisions by its own free will.”

However, it is yet to be determined how long hiring managers can remain independent, considering the pressure of, well: Being orderly in German style.

Base Salary Increase for US-Management

(*Projected / Source:2003 Management and Benefits Study)



In Germany everything is usually legally “standardized” to become the obligatory and accepted way of doing and being. A group of people with a common interest or with compatible needs often comes together to devise a recommended set of rules and applicable principles. They establish a more useful way of designing, structuring, or accomplishing things.

In this case, a new Standard has been developed by the German Association of Standardization (Deutsches Institut für Normung – DIN) that governs a key aspect of the selection of candidates by public and private enterprises.

We all know from many studies in this field, that indeed nearly always the decision in favor of or against a candidate is made during the first few minutes of the meeting, the so-called “handshake decision”.

However, to back up and justify this somewhat unscientific selection process, a polite and thorough physiological test re-establishes the process as more structured, “scientific”, and orderly.

To their dismay, the professional group interested in this phase of recruiting work, organized under the Federation of German Psychologist Association, found out that from 80% to 90% of such assessment

Cost vs. Benefit in Education

One of the most surprising results of the recent Pisa-Study (OECD) on the relative qualifications of 15-year-old students around the globe is that no obvious direct link seems to exist between either

The cost of public education per pupil through age 15 in the U.S. is \$67,300 (one of the highest in the world), compared with \$42,000 in Germany (one of the lowest of the industrialized nations). Both show very similar relative

immediate community in particular), and the resulting dedication of students and teachers, is as important to “good education” as the structure and financial investment. Indeed these qualities may be more important than any organizational or financial structure.

Total Compensation of General Managers in Small Companies*

Employees	Germany	U.S.**
under 50	\$130,000	\$140,000
over 50	\$170,000	\$180,000
Sales	Germany	U.S.**
under \$5 mio.	\$125,000	\$130,000
over \$5 mio.	\$150,000	\$155,000

* When taking into consideration the higher overhead cost in Germany, the total cost of the managers for companies are comparable

** including estimated actual performance based bonus payments

For detailed information about 'Management Compensation & Benefits for U.S. Subsidiaries of European Companies' (8.Edition / 2003) see www.jrbechtle.com

It appears that the “cost” to a country or community for quality education may be more than financial. It is a measure of commitment and dedication to the students and not to the structure alone. The investment is not simply measurable in Dollars or Euros.

Dedicated teachers, interested students, supportive parents, and a society which values education are the cornerstone for the preparation of future generations

the fundamental structure of education or the level of investment in education, and the resulting proficiency of students.

The amount of money invested in education per pupil was not directly related to performance in any of the key academic areas—literature (including reading), mathematics, and science. This was true across all structural types of education—centralized, decentralized, government controlled, or private enterprise-based.

Germany and the United States surprisingly have very similar relative performance results, despite being nations with very different educational systems and philosophies, as well as highly different levels of educational investment. Results were parallel even though they are on opposite ends of the investment spectrum.

performance results:

Literature: U.S. (15.) / Germany (21.)

Mathematics: U.S. (19.) / Germany (20.)

Science: U.S. (14.) / Germany (20.)

The relationship between cost and benefits/results is not any clearer when examining the “Best-of-Class Nations”:

a) Investment

Highest investment per pupil – Austria (\$71,400)

Results: Literature (10.) / Mathematics (11.) / Science (8.)

b) Top performers vs. investment

Finland – Literature (1.) / \$45,500

Japan – Mathematics (1.) / \$53,300

South Korea – Science (1) / \$30,800

The traditional beliefs, it appears, that the attitude, dedication, expectations, and approach of a society towards education (parents, extended family, and the

Don Quichotte's fight

A recent poll reports that more and more British workers are starting to surf the Internet from home because their companies clamp down on personal computer use at work.

In a recent survey, 26% of those polled stated that they had installed internet access at home to avoid being monitored by managers. And while nearly a third claimed to know that their bosses read their e-mails, nearly 40% said they would be disciplined if caught surfing the net outside their lunch hour.

Still and despite the risk, the workers polled confessed that they spend an average of two and a half hours a day on personal e-mail and the internet

Management Recruitment in the USA (continued from the previous US-Update)

Appearance:

Despite the informal nature of Americans, a good candidate in the US will also dress appropriately for an interview. An interview is a formal event and an American firm will show just as little mercy as a German one would to a candidate who arrives at the interview in shorts and a tee-shirt.

Taboos:

By now it must be common knowledge: questions about age, ethnic background, religion, health, or similar items are *verboten*. Naturally one would like to have this information - the first interview is definitely not the place to obtain it.

Meeting Place:

The first interview should take place at the US subsidiary, a sign that the company has nothing to hide. As a matter of course, interesting candidates should be given a tour of the facility following the discussion; for others, such a tour could be given as a courtesy.

For the second interview an invitation should be extended to visit the parent company in Europe. Here the candidate will get a full impression of the company and what's behind it. At the same time, this serves as an opportunity to better evaluate the candidate by observing him and his "footing" on foreign soil.

6. The Offer

Ritual:

In supposedly so laid-back America, ritual prevails: after the interview the most promising candidate receives a written offer containing all the essential elements of a future employment contract. This offer, in turn, is answered by the candidate

with a counter-offer. The whole thing can, depending on the personalities of those involved, go back and forth a number of times, until hopefully ending with a written contract.

Salary:

Someone who today earns \$100,000 will not be enticed by \$105,000. Especially with candidates who must be persuaded away from otherwise satisfying jobs, salary increases of 15-20% are expected. If the cost of living in the new location is higher, an even larger increase might be required.

Performance-Based Bonus:

Almost everyone with a salary of \$70,000 and above expects and receives a year-end bonus based on personal and/or company performance. At lower salaries, such bonuses run to around 20% of base salary, rising with salary level up to 50% and higher. This bonus depends on success: no success means no bonus, and unexpectedly good performance means an unexpectedly high bonus. A cap on bonuses is a clumsy sign of German "stinginess". The American weighs his chances and risks realistically, and expects neither a downward cushion nor an upward limit.

Benefits:

Health, dental, and accident insurance, as well as the 401(k) retirement plan, are the standard items, legally required or not, which are considered by Americans to be "benefits". The employee's financial contribution is small and much lower than the usual 50% in Germany.

Notice Period:

Even in the land of "hire and fire", a notice period for dismissal is agreed

to, even if it is not always observed by the employee himself. Three months for managers is normal, and six months is not unusual. At the least, such agreements provide financial security for the terminated employee. Keeping the unwanted employee longer than necessary is uncomfortable; if he wants to go, then he should go right away.

Relocation Costs:

These are always a critical issue in this large country: relocation is expensive, and could cost between \$30,000 and \$50,000. The main cost involves the sale of the candidate's house, which is subject to a 6% broker's fee. The new employee expects as a matter of course that if he must change his location, he should do it without incurring any costs for himself. There is room for negotiation here, but not much.

References:

During the contract negotiation, one requests the candidate's references and checks his background, including his college degree, past employment, and salary history. Enquiries regarding the candidate's professional and other qualifications can be made over the phone, even if Americans tend to shy away from revealing anything negative. One must be able to both read, and listen, between the lines.

(to be continued)

(The complete article was published in "PERSONAL", edition December '00.)

55 Plus: To retire or not to retire

Most industrialized nations encounter the same phenomena: Their citizens live longer. But do they work longer?

In the last 150 years, the average human lifespan has been extended by about three months each year. In Germany the average life expectancy meanwhile is 81 years for women and 74 years for men.

Not only are people getting older, they are aging in much better health and with an interest in staying more active and involved in all aspects of life.

The freedom to make one's own choices regarding work and retirement is surely a reflection of the fundamental values of one's society and culture. The lengthening of lifespan, improvements in healthcare, changes in education, and opportunities for an active life in retirement are developments that each society must come to grips with, developments that each society must constantly adapt to and evolve with.

As in most other industrialized nations, in Germany the discussion regarding increasing entrance age for retirement benefits from 65 to 67 years, has been in the forefront during recent years.

However, in Germany the discussion is not based on the wishes or the needs of those individuals who will reach retirement age in the near future. It is based on the society's quest for full employment for the young. And, of course, as in the United States, the discussion reflects

the need for - and the means for - financing retirement for present and future generations.

This question must be raised, however: What is the point of arguing whether the retirement age should be 65 or 67, considering that large corporations, such as Volkswagen as an example, have for decades used a strategy to entice employees into early retirement? They have attempted to "make room" for their young apprentices. And, as a result of such strategies, the "real-life" average retirement age in Germany is just under 60 years.

The reality is that one of every two companies in Germany has no employees older than 50 years (according to IAB), and more than 1.6 million people over the age of 50 are listed as unemployed (according to BA).

And, while companies and recruiting

firms in the United States face stiff legal penalties for questions referring to applicants' age, and for making negative remarks relative to the age of candidates, a partner at one of Germany's largest recruiting firm publicly warned that it would be, "Very negative in regard to Germany's competitiveness," to have older people working. "Often they are not able to cope with the stress and physical demands of work anymore," according to FAZ, Nov. 13, 2002.

This is very different than attitudes in the US. Newspapers asked the owner of a restaurant if it was not too much for an 80-year-old waitress to continue working. His answer was a reflection of the American understanding that retirement is an individual decision, and that each person is as old as he or she feels: "As long as she can take the stairs to the second floor of the restaurant and she wants to do the job, she is young enough," he said. ■

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