

Boost juice in germany

[Countries](#), [Germany](#)



Introduction

The concept of Boost brand was created in 1998 when the founder, Janine Allis, realized the fashion of the juice bar when on holidays in the United States. She researched the growing demand and found a huge market opportunity for a healthy fast food alternative in Australia.

The first boost juice bar was formed in 2000 located in Adelaide (Boost Juice 2011). The company has expanded internationally with 200 stores in Asia, Europe, and the Middle East through the way of Franchising. This report will analyse and discuss various potential human resource issues when considering the deployment of an Expatriate to Germany to support expansion. In particular, the issues faced by the organization within the five arenas of recruitment and selection, training and development, cross-culture, performance management, and compensation.

Expatriate Recruitment & Selection

Involvement of the expatriate's spouse in any pre-assignment, on-assignment and post-assignment training and support, particularly in language and cultural training (Salas et al. 2006; Shen 2005; Morgan et al. 2004; Scholes 2003; Mendenhall & Stahi 2000, Yavas & Bodur 1999) is essential. A spouse's attitude and predisposition can influence the willingness of a dual-career expatriate to accept international assignments. Expatriates are less likely to agree to relocate and/or experience higher failure rates if experiencing these family stresses. (Harvey 1997; Andreason 2008).

In order to prevent expatriate failure, Boost must select candidate with high emotional intelligence (EI) and personality characteristics of openness and sociability (Jassawalla, Truglia & Garvey 2004; Caligiuri 2000, Yavas & Bodur 1999). Conducting behavioural interviews will be deemed suitable to determine the EI of candidate (Goleman 2004, Truglia & Garvey 2004).

Recruitment and Selection in Germany

Another challenge Boost Australia will have in selecting the right expatriate is choosing a candidate that will have the ability to adjust existing recruitment and selection processes to German Culture.

Boost shall recruit older, preferably female employees (Thevenon & Horko 2009) or foreign migrants (Royle 1999) instead of usual young and energetic employees (Datamonitor 2008) as German youngsters under age 21 are rarely involved in unskilled employment due to its structured regulation and training culture (Roberts, Clark & Wallace 1994). KSAs (knowledge, skills & ability) but not psychometric tests shall be used in selection process because German may perceive latter as violation of privacy and inaccurate performance predictor (Steiner & Gilliland 1996; Papalexandris & Panayotopoulou 2004). . Training and Development Training and developing expatriates in areas of language skills, cross-cultural training, company policies and general skills related to the host country, before sending them abroad for their placements, would prove to be greatly beneficial for both the expatriates and the organization (McCaughey & Bruning 2005; Mayrhofer & Scullion 2002; Global Relocation Services 2004).

It will support cross-cultural adjustment by increasing the awareness of the norms and behaviours appropriate to the host country and provide the skills for the expatriate to operate more effectively in the unfamiliar host culture (Caliguri 2002; McCaughey & Bruning 2005). As well, support the challenge of coping with differences in lifestyle and language barriers while living and working in Germany (Sims & Schraeder 2004; Welch 2003).

Additionally, providing them efficient international performance appraisals can induce positive behaviour increasing the growth of productivity in an organization through staff satisfaction and allow it an added competitive advantage in the global business environment (McCaughey & Bruning 2005; Caliguri 2002). On an international scale the organization should have knowledge of the German culture, and efficient partners to aid in customizing a common training effort to specific regional and participant differences, and remain globally consistent in terms of course content and criteria for evaluation (Chang 2009).

Programme designers should modify communication to accommodate cultural differences and consider trainees' level of acceptance, conduct a thorough training-needs and audience analysis, and include members from Germany on the design team (Chang 2009; Shen & Brant 2009; Jassawalla, Traglia & Garvey 2004).

Cross-Culture issues

Attention must be given to the communication styles for Australian expatriates when they are sent to Germany. German employees tend to be stiff and deficient in sense of humour in business situation (McDonald 2000).

The more serious a situation, the more seriousness is necessitated. Also, Teamwork in Germany is regarded as a group of individuals working for a specific leader towards a recognizable goal (Dunkel & Meierewert 2004; Murakami, T 2000). Every employee has a well-defined role and to cross line would arouse confusion. Another important point of emphasis is on the business structure. Most of the power in German companies is the charge of few senior managers. The management board is the final decision-maker on policy matters which affect management.

Under board level, companies tend to have a strictly hierarchical approach within which individual's specific role and responsibilities are tightly defined and allocated. When Australian expatriates deal with the issues of German employees, the cross-culture variation should be treated seriously (Templer 2010). Less humour used in the business circumstances could be beneficial for solving issues. Furthermore, for teamwork projects, German employees should be encouraged to set more clearly objectives in order to achieve the best result. Lastly, incentive policies should be made so that employees can take active measures to serve for Boost Juice in the hierarchy structure.

Performance Management

Performance Management System (PMS) is a strategic HRM process that enables the MNC to evaluate and continuously improve individual, subsidiary unit and corporate performance against clearly defined, pre-set objectives that are directly linked to international strategy (Halachmi 2005) (Agunis 2009).

Hence Performance management is considered as one of the critical function of HRM as it helps in appraising individual's performance. However, there are certain issues that a company may face when internationalising its operations (Shay and Baack 2004). In case of Boost Company, challenges faced during implementation of PMS can be divided into two categories; Issues faced during implementing PMS programme for its expatriates such as; Who conducts Performance Management for the expatriate (Shih, Chiang & Kim 2005). Providing timely and regular feedback (Shih, Chiang & Kim 2005). Issues relating performance criteria (Shih, Chiang & Kim 2005). Issues faced when implementing PMS in its HCN (Germany) Cultural adaptability (Waal & Counet 2008) (Ferner et al 2001). Analysing the issues faced by Boost, it can be said that International Performance Management system are affected by various host contextual and firm specific factors such as the political, economic, international strategy, stage of internationalisation etc (Shen 2004).

Therefore MNC's when expanding their operations beyond borders should consider such factors to formulate and implement effective international performance management policies and practices.

Compensation

Compensation is a powerful tool that can further an organization's strategic goals and at the same time has a large impact on employees' attitudes and behaviours. (Festing et al, Dec 2006). It is imperative to both the company's bottom line and the individuals involved that it is perceived to be done fairly and clearly communicated (Sims & Schraeder, 2005).

Boost must determine the right compensation approach that will meet the needs of its financial goals as well as be an incentive to attract and retain best incumbents (Wentland, 2003; Sims & Schraeder 2004; Zingheim & Schuster, 2001; Dwyer, 1999) It must be:

- competitive
- consistent
- cost-effective

The Balance sheet approach was selected as best suited for this expatriate program. Knowledge and skill set required are equal to parent company, so it was viewed as most fair and equitable approach to maintain the purchasing power of both their team in Australia and those on international assignments. Sims, Schraeder 2005) It is the best approach to be perceived equally by the expatriate to be adequate and meet their needs of competitiveness and consistent for their expected behaviours. (Suutari, V, & Tornikoski, C 2001) The final confirmation to ensure Compensation is aligned appropriately, reducing potential early expatriate failure is that both parties have a clear understanding to what is in and what is out of the package and perception of adequate compensation is equal.

Conclusion

International Human Resources has progressed rapidly and is penetrating at institutional, national and international levels. Simultaneously multi-national and international companies today are faced with the complexity of cross-cultural issue due to globalization (Pranee 2010). In summary this report clearly demonstrates the importance of human resource management (HRM)

to be included at the forefront of any consideration to enter the global arena. Underestimating these key areas reviewed as well as other HR practices will cause concern and risk increased potential failure of any expatriate program.

Reference

1. List Aguinis, H 2009, Performance Management, Pearson Education, New Jersey. Andreason, AW 2008, ' Expatriate adjustment of spouses and expatriate managers: an integrative research review,' International Journal of Management, vol. 25, no. 2, pp. 382-395.
 2. Boost Juice 2011, franchise info, viewed at 20th February 2011, < <http://www.boostjuicebars.com>> Caliguri, P 2002, ' Global competence: What is it, and can it be developed through global assignments? ', Human Resources Planning, vol. 24, no. 3, pp. 27 – 35.
 3. Caligiuri, PM 2000, ' Selecting expatriates for personality characteristics: a moderating effect of personality on the relationship between host national contact and cross-cultural adjustment,' Management International Review, vol. 40, no. 1, pp. 61-80.
 4. Chang, WW 2009, ' Cross-cultural adjustment in the multinational training program', Human Resource Development International, vol. 12, no. 5, pp. 561 – 569.
 5. Counet, H, Waal, A, A 2008, ' Lessons learned from performance management systems implementations', International Journal of Productivity and Performance Management, vol. 58, no. 4, pp. 367-390.
 6. Datamonitor 2008, Boost Juice barcase study: Marketing smoothie bars as a healthy alternative to coffee shops, Datamonitor, pp. 1-12.
- Dunkel, A & Meierewert, S 2004,

7. ' Culture Standards and their impact on teamwork -- An empirical analysis of Austrian, German, Hungarian and Spanish culture differences', *Journal for East European Management Studies*, vol. 14, no. 3, pp. 147-174.
8. Ferner, Anthony, Quintanilla, Javier, Varul & Matthias Z 2001, ' Country-of-Origin Effects, Host-Country Effects, and the Management of HR in Multinationals: German Companies in Britain and Spain, *Journal of World Business*, vol. 36, no. 2, pp. 1-107. Global Relocation Services 2004,
9. Global relocation Trends 2003/2004 Survey Report, viewed 18th February 2011, . Goleman, D 2004,
10. ' What makes a leader? ' *Harvard Business Review*, vol. 82, no. 1, p. 82-91. Halachmi, A 2005, ' Performance measurement is only one way of managing performance management', *International Journal of Productivity and Performance Management*, vol. 54, no. 7, pp. 502-516. Harvey, M 1997, ' Dual-career expatriates: expectations, adjustment and satisfaction with international relocation,' *Journal of International Business Studies*, vol. 8, no. 3, pp. 627-658.
11. Jassawalla, A, Truglia, C & Garvey, J 2004, ' Cross-cultural conflict and expatriate manager adjustment: an exploratory study,' *Management Decision*, vol. 42, no. 7/8, pp. 837-849. Mayrhoefner, W & Scullion, H 2002, ' Female expatriates in international business: empirical evidence from the German clothing industry', *International Journal of Human Resource Management*, vol. 13, no. 1, pp. 815 – 836. McCaughey, D & Bruning, NS 2005, ' Enhancing

- opportunities for expatriate job satisfaction: HR strategies for foreign assignment success', *Human Resource Planning*, vol. 8, no. 4, pp. 21 – 29. McDonald, G 2000,
13. 'Cross-cultural methodological issues in ethical research', *Journal of Business Ethics*, vol. 27, no. 3, pp. 89-104. Mendenhall, ME & Stahi, GK 2000, 'Expatriate training and development: where do we go from here?' *Human Resource Management*, vol. 39, no. 2, pp. 251-265. Morgan, L, Jie, W & Young, ST 2004, 'Operational factors as determinants of expatriate and repatriate success,' *International Journal of Operation & Production*, vol. 24, no. 11/12, pp. 1247-1261.
14. Murakami, T 2000, 'Trade Union Strategy and Teamwork: The British and German Car Industry', *Labor Studies Journal*, vol. 24, pp. 35-52 Papalexandris, N & Panayotopoulou, L 2004,
15. 'Exploring the mutual interaction of societal culture and human resource management practices: evidence from 19 countries,' *Employee Relations*, vol. 26, no. 5, pp. 495-509. Roberts, K, Clark, SC & Wallace, C 1994, 'Flexibility and individualism: a comparison of transitions into employment in England and Germany,' *Sociology*, vol. 28, no. 1, pp. 31-54.
16. Royle, T 1999, 'Recruiting the acquiescent workforce: a comparative analysis of McDonald's in Germany and the UK,' *Employee Relations*, vol. 21, no. 6, pp. 540-555.
17. Salas, LN, Hess, KP, Paley, M & Riedel, S 2006, 'Expatriate preparation: a critical analysis of 25 years of cross-cultural training research,' *Human Resource Development Review*, vol. 5, no. 3, pp.

355-388. Scholes, S 2003, The expatriate manager in South Korea: cross cultural communication, viewed 2 February 2011, < http://www.international-business-careers.com/international_career_expatriate_resources_2.html>.

18. Shay, JP & Baack, SA 2004, ' Expatriate assignment, adjustment and effectiveness: An empirical examination of the big picture', *Journal of International Business Studies*, vol. 35, no. 2, pp. 216-232. Shen, J 2005, ' Towards a generic international human resource management (IHRM) model,' *Journal of Organisational Transformation and Social Change*, vol. 2, no. 2, p. 83-102. Shen, J & Brant, L 2009, ' Cross-cultural training on expatriate performance in Australian MNEs', *Human Resource Development International*, vol. 12, no. 4, pp. 371 - 386.