

Finding Suitable Staff

Workforce in Germany

Germany has over 400 universities and universities of applied sciences (UAS). Almost 70,000 engineers and over 67,000 mathematicians and natural scientists graduated in 2011, with tendency to rise.

Through a combination of on- and off-the-job training in Germany's so-called dual education system, hiring and training costs are reduced (especially for skilled craftsmen and technicians) and recruitment risks minimized. Vocational colleges closely cooperate with 470,000 companies in Germany, ensuring that education always meets specific industry needs.

Highly flexible working practices such as fixed-term contracts, shift systems, and 24/7 operating permits contribute to enhance Germany's international competitiveness as a suitable investment location for internationally active businesses.

Competitive Labor Costs

Germany is known for very stable labor costs. Wages have risen in most European countries (EU-27) since 2007, with the growth rate averaging 2.50 percent. While some countries - particularly those in Eastern Europe - experienced a rise of more than five percent, Germany recorded one of the lowest labor cost growth within the EU at just 2.16 percent. This has been another decisive argument in favor of Germany as a premium business location.

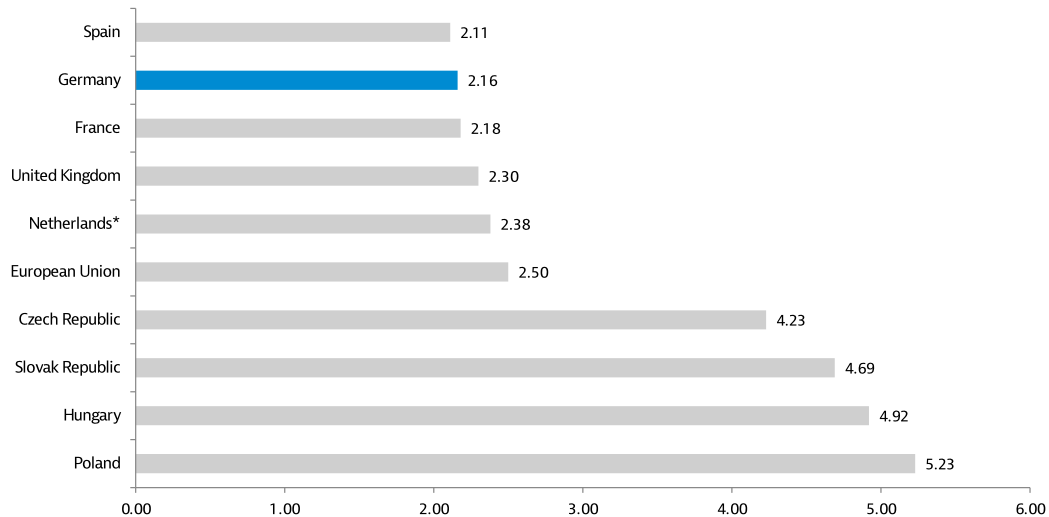
Wages are generally subject to individual negotiation in Germany. It must be noted that a general minimum wage of EUR 9.19 an hour applies. Please refer to our Terms of Employment chapter for more information.

- [Terms of Employment](#) ▶

Excellent Workforce

Germany has one the most stable labor costs in Europe's manufacturing sector.

Growth of Labor Costs in Manufacturing (2007-2016, yr. average growth in %)



Source: Eurostat 2017

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Excellent Workforce - Growth of Labor Costs in Manufacturing (2007-2016, yr. average growth in %) | © Eurostat 2017

Measured in unit labor costs, Germany experienced an increase in productivity over the past decade. In contrast to a lot of other European countries, Germany's unit labor costs only increased slightly by 1.28 percent for the period 2005 to 2016. This made the economy very competitive - particularly manufacturing.

Hiring a workforce

Companies are supported in various ways during their search for suitable employees. The Federal Employment Agency (*Bundesagentur für Arbeit*) offers professional recruitment services free of charge. It is represented in the municipalities throughout Germany with its job centers.

- [Federal Employment Agency](#) ▶

There are also numerous private providers of recruitment services. These companies normally charge the hiring company a fee of no more than two gross monthly salaries of the employee that they procure.

- [German Association of Private Employment Agencies \(German only\) ▶](#)

In addition, companies seeking new personnel usually advertise open positions in newspapers, journals, company websites, or on internet job market websites. Ads for specialists and highly qualified staff are usually placed in national newspapers and professional journals, whereas ads for skilled workers or low-qualification jobs normally appear in local papers.

Public Support Programs

A wide range of labor-related incentives programs supports the development of a company's pool of employees offering qualification and training measures for new employees. In addition to this, under certain conditions, companies can also be supported by wage subsidies.

Labor-related incentives programs are carried out and adjusted by the local job centers according to investor needs. Please refer to our incentives chapter for more information.

- [Labor-Related Incentives ▶](#)



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