

RECRUITMENT IN GERMANY

Key Concepts

- Recruitment
- Employment at will
- German taxation for employees
- Payroll
- Market knowledge

THE MARKET

Germany has one of the strongest economies in the world and its central location in Western Europe makes it a great place to start your European journey. Driving the European automotive industry, Germany is an excellent starting point to find talent. As every country has different employment laws, it is important to be familiar with your responsibilities as an employer.

RECRUITMENT

Finding highly skilled staff is probably one of the biggest challenges. There are some trends companies should be aware of when it comes to recruiting and hiring in Germany. The candidates' experience and active sourcing became very relevant topics in the recruiting business in Germany. Employer branding has gained significance in recent years and imposes more of a challenge to recruiters than hiring professionally experienced workforces. Social Media Recruiting continues to grow. Germans tend to use XING over LinkedIn for example and thus is an important upcoming platform to use when you are thinking of hiring in Germany

EMPLOYMENT

"Employment at will" is not an option in Germany and generally in Europe. In Germany, you can offer your employee a fixed term or unlimited employment contract. A fixed term contract has a specific end date on which the service from your employee will end. In the employment contract you state the gross annual salary the probationary period, the notice period and how many days off someone has per year. The mandatory minimum days of vacation in Germany is 20, but our is experience that everyone expects at least 25.

MEET THE VP OF HR OUTSOURCING

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As German notice periods can be very long (up to 6 months in management positions), this is an important thing to check when you start interviewing candidates.

Another important item for German employees is their car. In most jobs, when it is relevant, the employee receives a lease car or a contribution from the employer so they can cover the costs of getting a car themselves. In general, employment law in Germany is quite employer friendly. For example, if you have a small company with 10 or less employees, it is rather easy to let the employees go. This law is there to protect smaller companies when it does not work out with one of the employees.

PAYROLL

For the employees' side, Germany has a good social security system. Employers have to contribute to basic healthcare and pension for all employees; registrations need to be made with the Tax Authorities, Social Security and Health Insurance. After registering the company in Germany with these authorities, employees will be enrolled into the applicable schemes. This does depend on the kind of company they will work for. The German employer contributions are 17%. Please note that the German Tax Authorities will not accept direct payments from a foreign bank account. All other additional expenses need to be process through monthly payroll too (car allowance, reimbursement for meals and travel etc.) and you also need to make sure the right taxes are paid.

CULTURE

Perhaps the first things that pops to mind are the cliché German characteristics like directness, arrogance or lots of red tape. But, this is not our experience at all. In fact, Germany's business world is far more appealing than that. Don't worry if some German business people seem slightly aloof, correct and rather blunt at the same time. Hierarchy, directness, and a certain measure of separation between work and private life are essential values in German business culture.

Germans generally have very good work ethic and a professional attitude. They are often very thorough, detail-oriented, and keen on producing good results and value good education and diplomas. Another German quality is formality. The German word 'pünktlich' summarizes this very well and means something like precise/on time/punctual. They generally are on time and check contracts together with management before giving the final approval.

Other words that fit the German culture are fairness and loyalty. They will be honest about, for example, a job offer and usually mean exactly what they say. This can come across as perhaps rude or blunt, but is not meant that way at all. All in all, you can rely on the German tendency to be interested in long-term relationships. Once they have made a commitment, they will try to develop a mutually beneficial relationship based on trust.

WHAT CAN WE DO FOR YOU?

If all the above is new to you or have no idea as to where to start or what to do; We can guide you through recruitment and employment processes in Germany! Our dedicated teams can offer you the experience and knowledge to simplify complicated processes.

Are you looking to hire German sales professionals for your business development? Or perhaps you already have a matching candidate but could use some help with onboarding the new employee to your company. Please don't hesitate to get in touch with Paulien Olde Bijvank so we can explain the process in more detail and discuss the possibilities for your business.



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