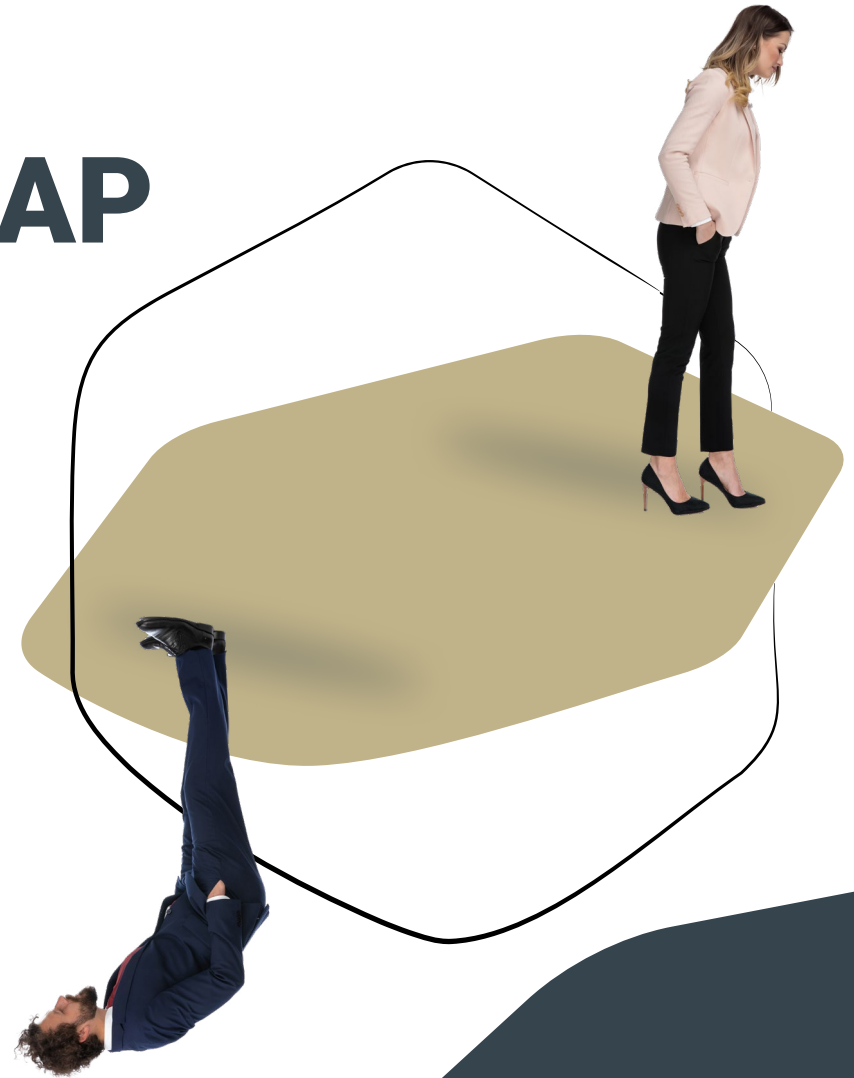


TALENT TRENDS 2024 · GERMANY

THE EXPECTATION GAP

What makes your staff tick: The differing expectations of companies and employees





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About PageGroup

The discrepancy between employers' and employees' expectations is continuously widening. How can we bridge the divide?

Last year, our flagship Talent Trends survey shed light on the most profound change within the world of work since industrialisation, which we termed 'The Invisible Revolution'. Following the pandemic, people have been reassessing the significance of their jobs to their lives, which in turn has caused a complete shift of power in the labour market in their favour.

Now, just twelve months on, the situation has evolved further, with significant implications on efforts to hire or retain talent. Finding people strategies that work for all sides is becoming trickier – a development we call The Expectation Gap.

On the one hand, workers have a growing list of expectations, stretching far beyond competitive salaries and flexibility. On the other, employers are facing significant pressures in a rapidly evolving economic and political environment, making it harder for both sides to meet in the middle.

To delve deeper into this, we spoke to 50,000 workers worldwide for our Talent Trends 2024 survey. We wanted to know: What do people really want, and how can employers adapt?

Here are some of the key findings:

- Wage growth is slowing globally due to economic pressures employers are facing. **Workers continue to expect higher salaries** to keep pace with the rising cost of living and feel valued for their contributions.
- “Back to office” is a hot topic, as many companies are calling on staff to return to the office, while **employees remain focused on flexibility**. Divergent expectations and needs surrounding flexible working hours and hybrid working models are driving conflicts between the two groups.
- With five generations coming together in today's workforce, different values lead to additional tension, and maintaining a **dynamic and inclusive corporate culture** where everyone can be their authentic selves has become more challenging than ever.
- Artificial intelligence (AI) is **no longer a concept rooted in the future**. It is already affecting people's daily working lives and career decisions, adding another layer of complexity to the talent market.

The Expectation Gap permeates all aspects of the modern workplace, highlighting the importance of aligning expectations to foster a productive and truly inclusive work environment.

Over the following pages, our study provides you with insights and recommendations to bridge the gap between companies and employees, foster an inclusive corporate culture and confidently navigate the dynamic labour market situation.

As a global recruitment company, we draw on our proprietary data and technology to provide valuable market knowledge and serve our customers as a trusted partner.

With a presence in 37 markets worldwide, our team of specialist consultants stands ready to assist you in navigating the course of your HR strategy. Contact them via phone, video call, or email, or [click here](#) to request a call back.

I hope you enjoy the report.



Goran Barić

Regional Managing Director
Northern & Central Europe
PageGroup

A handwritten signature in dark ink, appearing to read 'G. Barić'.

Key Results of Our Talent Trends Survey

What are the expectations of employees in Germany in 2024?

1. Work-life balance through flexibility

Employees value flexibility in terms of working hours and hybrid work arrangements to maximise their professional and personal potential. Work-life balance is a priority, with talents prepared to accept lower salaries in favour of their well-being.

2. Cultivating an inclusive work environment

Job satisfaction is also a question of inclusivity. Employees want to thrive as their authentic selves, currently deemed possible by only around 40% of respondents, with age and gender named as the two most important factors in any unjustified unequal treatment in the workplace.

3. Future-proofing jobs: adapting for resilience in times of technological transformation

Companies are investing in AI technologies, but a mere one in four employees has used AI professionally to date. Half the workforce is convinced of the long-term impact AI will have on their career opportunities and thus expect anticipatory leadership and knowledge transfer from their employers.



50,000
participants across
37 countries

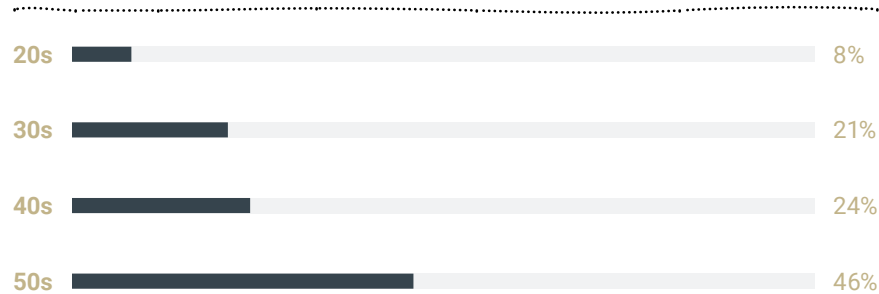
16,000
in Europe
2,200
in Germany

Talent Trends is
the most robust
and comprehensive
workplace survey
of its kind in the
world today

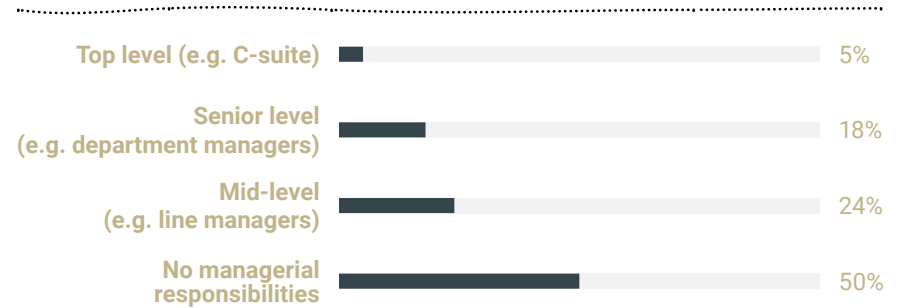


About Our Survey in Germany

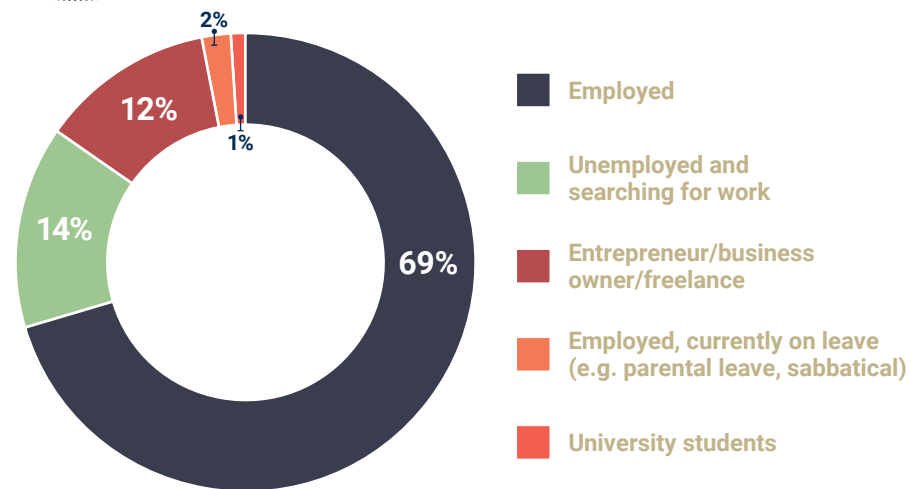
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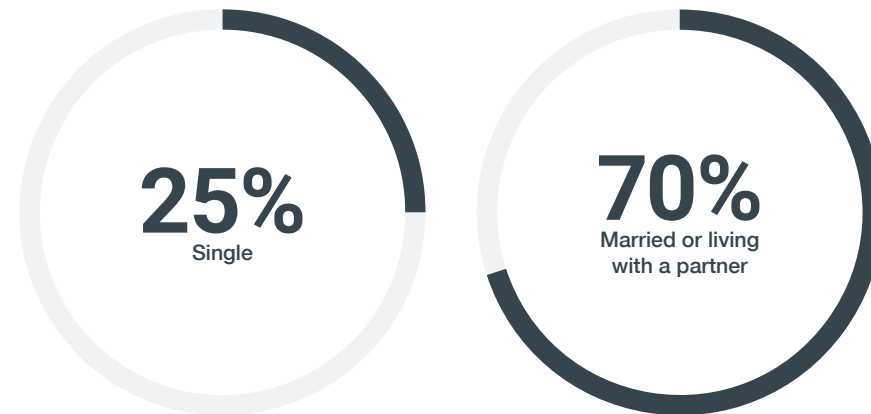
MANAGEMENT LEVEL



EMPLOYMENT STATUS



RELATIONSHIP AND FAMILY DEMOGRAPHICS





The Expectation Gap: Salary

Demands are rising
as wage growth slows



Salary Remains Decisive Factor for Employees

But how are these expectations justified?

The discrepancy between salary ambitions and economic reality is bringing momentum into the labour market and causing tension between employers and employees. Due to inflation and the rising cost of living, the pressure on employers to adapt salaries upwards has increased further, while the economic situation, alongside tight budgets, make it impossible to meet workers' demands to the full extent.

Roughly one third of workers in Germany are not happy with their current compensation, pushing salary to the top of their reasons for seeking new employment. This has created a dynamic job market, with more than one third of the workforce actively seeking new opportunities and 37% having negotiated for a pay raise in the past year.

Employers are well aware that presenting a compensation package superior to a job seeker's current earnings is essential for the attraction of talent. More than half the companies surveyed cited recruiting difficulties within the past twelve months. The retention of talent is similarly affected by salary expectations.

Flexible working arrangement models rank second for employees when it comes to deciding whether to accept a new job. To bridge the ongoing expectation discrepancy among employees and find common ground between demands and budget, companies can take the opportunity of salary negotiations to highlight other benefits such as flexibility and work-life balance.



54%

of workers prioritise salary when accepting or applying for a new role



53%

of employers note that offering a higher salary than the current employer is crucial to recruiting new talent



42%

of companies view a competitive salary as the most important retention factor



37%

of employees tried to negotiate a pay raise within the last twelve months



31%

of participants are dissatisfied with their salary

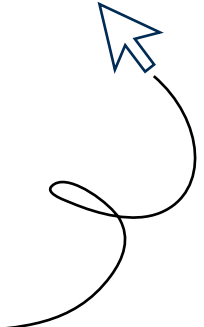


SALARY GUIDES

The right compensation strategy for top talents

Check out our Salary Guides for the latest information across key sectors and industries in your market

[CLICK HERE](#)



- Salary
- Flexibility
- DE&I
- AI



The Expectation Gap: Flexibility

Workers demand autonomy



The Challenge of Talent Retention

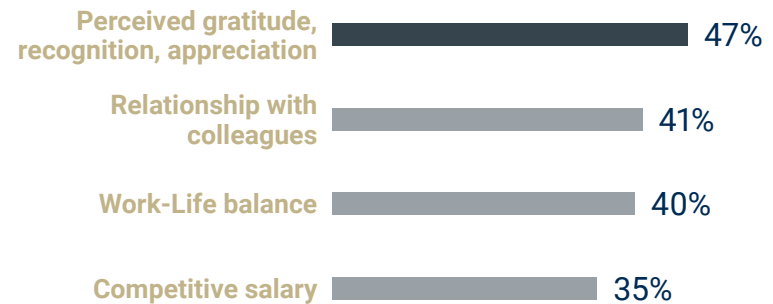
Recognition: An aspect that goes beyond salary to foster job satisfaction

When it comes to job satisfaction, recognition and appreciation are the top priorities for employees. These factors are deemed more important by women than they are by men, followed in significance by the relationship with colleagues and work-life balance, while competitive salaries rank only fourth in this context.

Employees in the 40+ age bracket are the most likely to be dissatisfied in their current position, suggesting an increase in the importance of factors surrounding work-life balance in this stage of life. It is notable that the aspects recognition and appreciation, the relationship among colleagues, and work-life balance are closely related in terms of their impact on job satisfaction.

While a corporate culture that emphasises these values can, to some degree, serve the purpose of promoting employee retention, its effect seems limited. The number of companies reporting problems in terms of talent retention over the past twelve months is up 12 percentage points compared to the Talent Trends 2023 survey.

Top contributing factors for job satisfaction



Percentage of companies reporting employee retention difficulties within the previous twelve months



-
-
-
-
-
-
-

High Demand for Flexible Working Arrangements

Wellbeing and flexibility come first

For talents, flexibility is the most decisive factor when choosing a job. Above all, German employees expect flexible working hours and hybrid models between remote and on-site work. A good work-life balance, reconciling work and private life, is a priority, and personal health is more important than career advancement or a higher salary.

A requirement for staff to return to the office for work, as well as strict policies and rigid working models are perceived as restrictive and can cause people to become dissatisfied and switch jobs. Companies thus face an increasing demand for flexible work models.

Salary
Flexibility
DE&I
AI

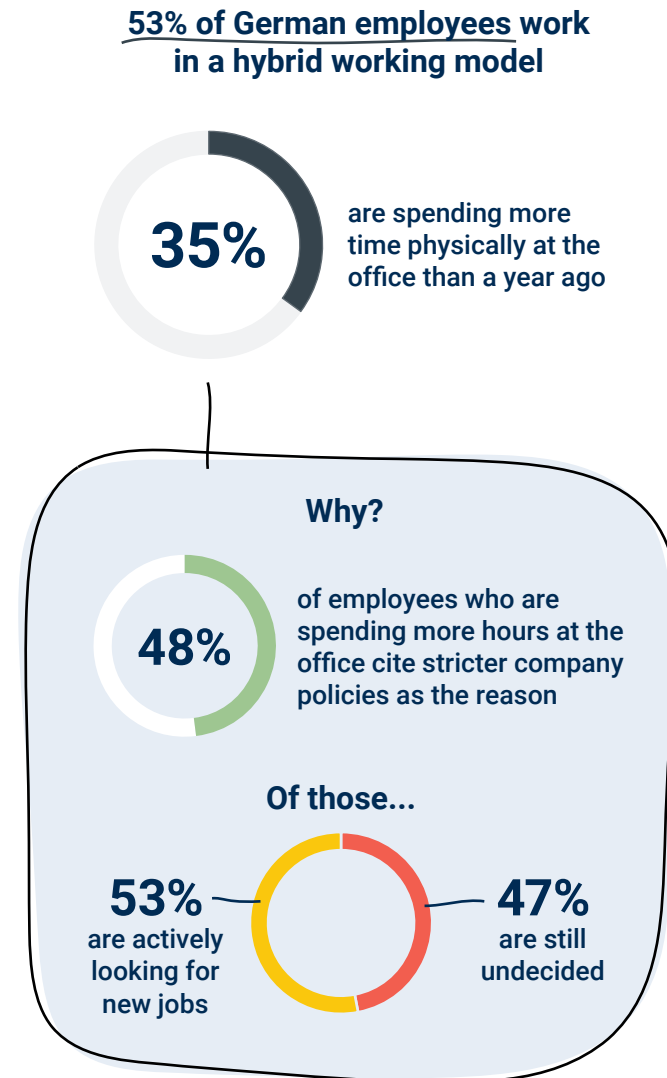

The Balancing Act of Hybrid Work: Flexibility Remains an Expectation

Address the demand for flexible working models through compromise

On the surface, hybrid working models seem to offer the ideal mix of office hours and working from home, but in reality, they bear plenty of conflict potential due to the mismatch in expectations between staff and employers. This conflict calls for flexible and individual solutions.

Employees are unwilling to give up the flexibility and autonomy they perceive as freedom, a state which is, in large parts, a result of the pandemic. More than half of German employees work in hybrid arrangements. Due to new, stricter company policies, roughly half of them have been required to clock in more office time over the last twelve months, with the result of widespread dissatisfaction and many workers actively looking for new employment opportunities. The effect was also felt by employers, with more than half of them reporting difficulties in filling vacancies with skilled workers last year.

There are, however, slight variations in attitudes towards working models. Among those who have increased their time at the office, one fifth cited the isolation of working from home as their motivation. As many as 15% see being in the office as beneficial to their career development, an attitude more widely held by younger 20+ workers, who constitute around a fifth of the group.

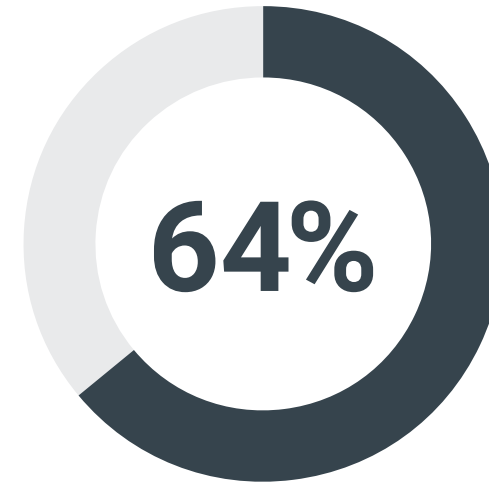


Workers Prioritise Well-Being

Health outweighs promotions

Employees in Germany continue to put their health first. Around two thirds put personal well-being ahead of a promotion that comes with a pay raise, with men and older study participants more likely to do so.

Since the COVID-19 pandemic, the labour market has undergone a significant transformation, and it is important to note the context. Workers prioritising a healthy work-life balance are not solely driven by work-induced stress factors. The [International SOS Risk Map 2024](#) shows that many external, ongoing stressors, such as the climate crisis, the rising cost of living, and social unrest, are leading to a level of employee burnout that many companies feel ill-equipped to handle. Flexible working arrangements therefore provide an important stress management tool.



64%
of participants would prioritise their work-life-balance over a promotion that comes with a pay raise

Of those...



Five Generations of Workers – a Wide Range of Needs

From career development to autonomy: Understanding job satisfaction across generations

With up to five generations coming together in the workplace today, workers' needs differ widely and the potential for conflict is accordingly high. Knowing and meeting the expectations of baby boomers, Gens X, Y and Z (note that Gen Alpha will soon also be joining the mix) is both a challenge and an opportunity. Younger employees regard physical workplace attendance as a chance for career development but are also more open for new job offers. As employees get older, flexibility and autonomy grow more important for job satisfaction: 21% in the age group 20+, but only 12% in the group of 50+, stated their motivation to advance their careers by being physically present in the office more frequently.

Job dissatisfaction by age



Actively seeking new job opportunities, by age





TAKEAWAYS AND TIPS

Flexibility

Work-life-balance and health: As balancing work and private life goes hand in hand with employees' well-being, health is considered more important than a promotion by most.

Flexibility is a priority: Employees appreciate hybrid working models and flexible hours and therefore expect companies to accommodate these preferences, even after the pandemic. The aspect of flexibility is also crucial to talents seeking a new role.

Attitudes towards in-person work vary: Strict policies on office time are generally met with dismay by employees, can cause dissatisfaction and motivate them to seek a position elsewhere. However, younger workers are often keen on workplace attendance to drive their careers.

Expectation management: Adaptive working arrangement models and solutions can be effective tools to retain talent across all age groups and meet their varying expectations. It is important to communicate transparently and openly about policy decisions to cultivate a sense of trust.

Corporate culture: When it comes to requiring employees' presence in the office, employers should underscore the benefits of face-to-face interactions. They should, however, also show an openness to compromise for the sake of work-life balance and to show their appreciation.

Salary



Flexibility



DE&I



AI





The Expectation Gap: Diversity, Equity & Inclusion

Has it failed in the workplace?



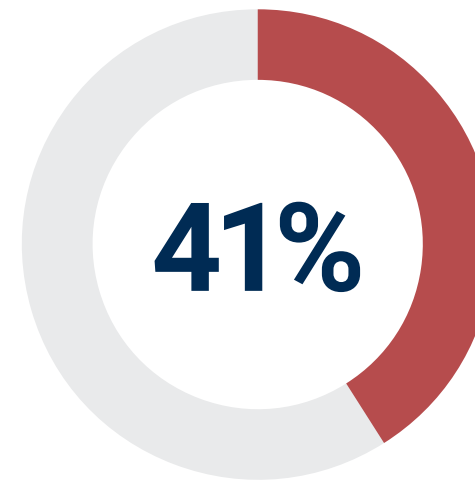
Employees Yearn for an Inclusive Working Environment

Do flexible working models come at the expense of corporate culture?

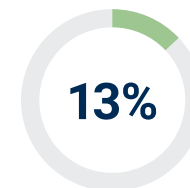
Despite deepening efforts to promote DE&I (Diversity, Equity & Inclusion) in the workplace, there is a disconnect in their perception by employees. Only a fraction of respondents consider their respective work environment inclusive and less than half feel it allows them to thrive as their authentic selves.

The reason for this discrepancy between expectations and reality is twofold: Firstly, discrimination against different groups needs to be addressed on an individual basis. Secondly, flexible working arrangements may make it easier to balance personal and work life, but they also inhibit an inclusive workplace culture, providing fewer opportunities for personal interaction.

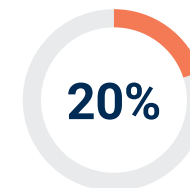
With an unprecedented five generations now sharing the workspace, the complexity of meeting a wide array of needs and expectations has never been higher. Feeling marginalised is especially prevalent among older employees.



of respondents feel they cannot be their authentic selves at work



perceive their workplace to be inclusive



perceive leadership in their place of employment as diverse

Employees above the age of 40 less frequently describe their work environment as inclusive



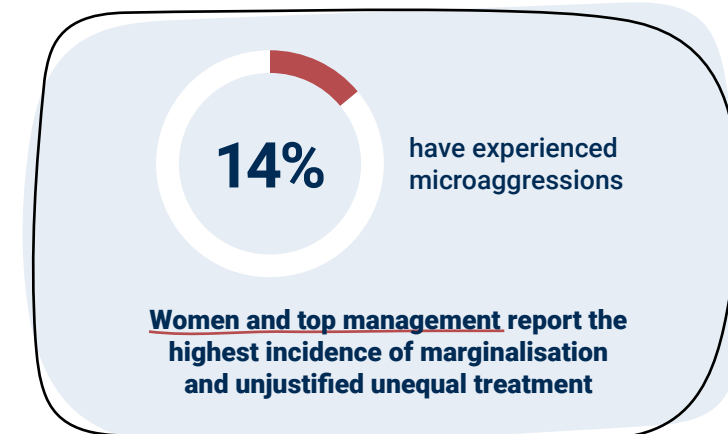
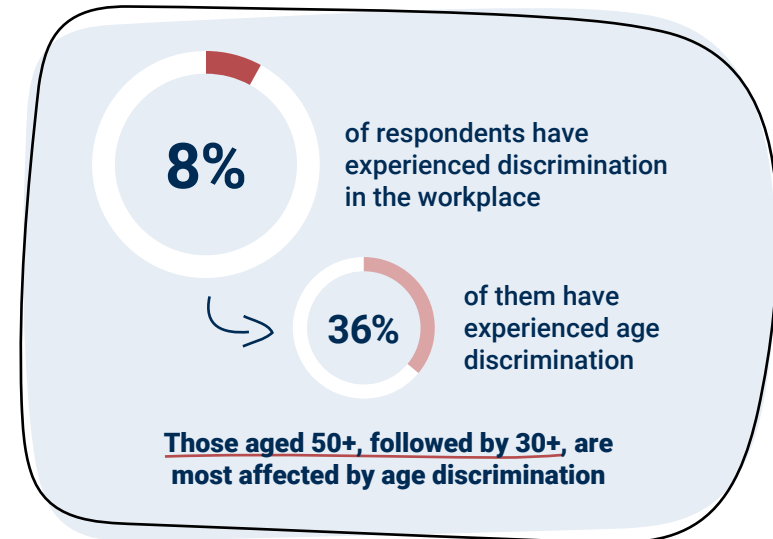
Discrimination: A Difficult but Worthwhile Conversation

The personal impact of marginalisation in the workplace

Discrimination in the workplace remains a reality, with around one in ten workers feeling marginalised or mistreated. Age discrimination is the most commonly perceived form of discrimination. While it particularly affects workers between the ages of 50 and 60, younger colleagues also report instances of marginalisation due to their age.

Gender and gender identity are the second most common cause of discrimination. Microaggressions, such as derogatory statements, actions, or the application of negative stereotypes, are more frequently directed against women. People at top management levels reported the highest number of discriminatory incidents, which suggests that marginalisation and unjustified unequal treatment do not necessarily take place hierarchically from top to bottom but can occur within competing relationships at the same level.

To tackle these problems and for DE&I initiatives to be successful, it is important to raise awareness for the different forms of discrimination, to both recognise and name affected groups and actively involve them in the discussion. More inclusion is possible with integrative approaches counteracting division and exclusion.



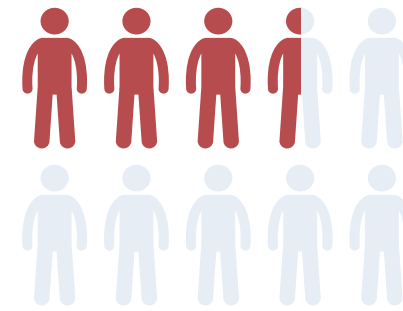
Build Trust to Counteract the Reluctance to Report

An inclusive corporate culture to counteract discrimination

Even with a corporate culture and agenda aiming for more inclusion, those affected do not always seek support. Only around one third of respondents who experienced a form of exclusion or unjustified unequal treatment had officially reported the incident. Women in the 20+ age group were most likely to report discrimination.

Today, employees are familiar with DE&I issues and see them in a positive light. Half of them said it is crucial to prevent age discrimination in the workplace, and more than half expressed their satisfaction with their employers' efforts to promote equal treatment in the company. Both genders were equally satisfied with initiatives to promote gender equality.

Respect and trust lay the groundwork for an inclusive corporate culture in which a sense of understanding and appreciation for individual employees' different perspectives is conveyed. Creating an encouraging atmosphere when it comes to calling out discrimination promotes loyalty and employee retention.



Only **35%**
of those affected said they
had officially reported
cases of discrimination



Women in the 20+ age group were the most likely to file a formal discrimination complaint



TAKEAWAYS AND TIPS

Diversity, Equity & Inclusion

Increased flexibility requires more effort when it comes to nurturing corporate culture:

Hybrid working models and less time spent in the office means fewer personal interactions, making it more difficult to build and tend to corporate culture.

The range of expectations is wide and complex: Meeting the expectations of all five generations represented in today's workplace is a major challenge. With older employees the most likely to feel excluded, it is important for employers to strive for satisfaction across age groups by addressing individual concerns.

Build trust in measures and reporting procedures: To build trust in existing frameworks and dispel any fears of negative consequences among those affected, open and transparent communication is key.

Promote inclusion to overcome division: DE&I measures should be seen as an ongoing process for everyone to learn from one another. Companies must show appreciation for the concerns of individual employees and identify them not as members of a minority but as equal team members to prevent marginalisation.

Salary



Flexibility



DE&I



AI





The Expectation Gap: AI

New Work amid algorithms
and ambitions

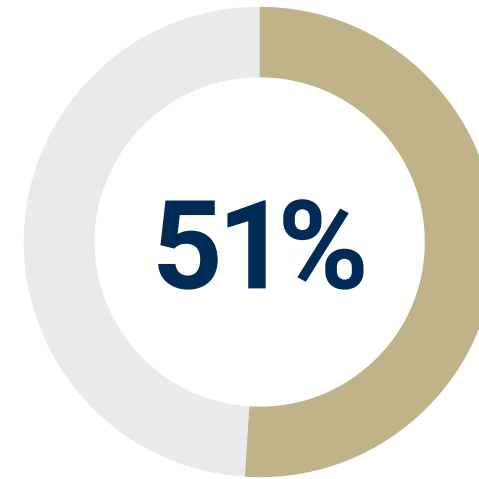


The Next Level of Technological Progress

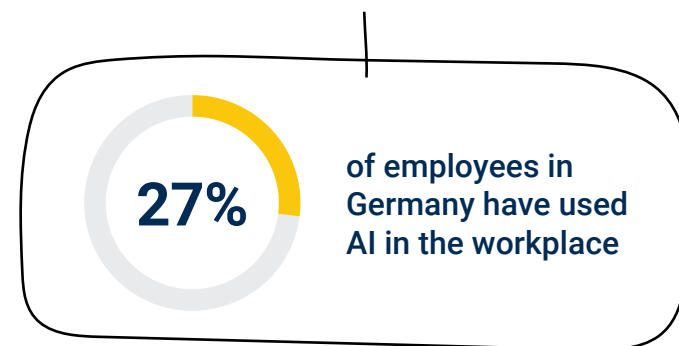
Artificial intelligence: an exciting technology causing tension in the workplace

AI is no longer a concept rooted in the future and already an increasingly accepted part of everyday life. With this awareness comes concern about job security. Generative AI tools for text, image, and video content offer enormous potential in terms of productivity and creativity, but also raise fears about the automation of work processes, alongside legal and ethical concerns. Experts predict that AI will change entire industries.

Just over half of employees believe that AI will impact their career plans in the long term, placing Germany slightly ahead of the European average. The challenge now is to introduce workers to AI tools and equip them with the skills and knowledge to harness AI's power while fostering a mindset that embraces innovation and continuous learning, as only around a quarter of workers have used AI tools in their current positions so far.



51% of respondents expect their career to be impacted by AI in the workplace in the long term



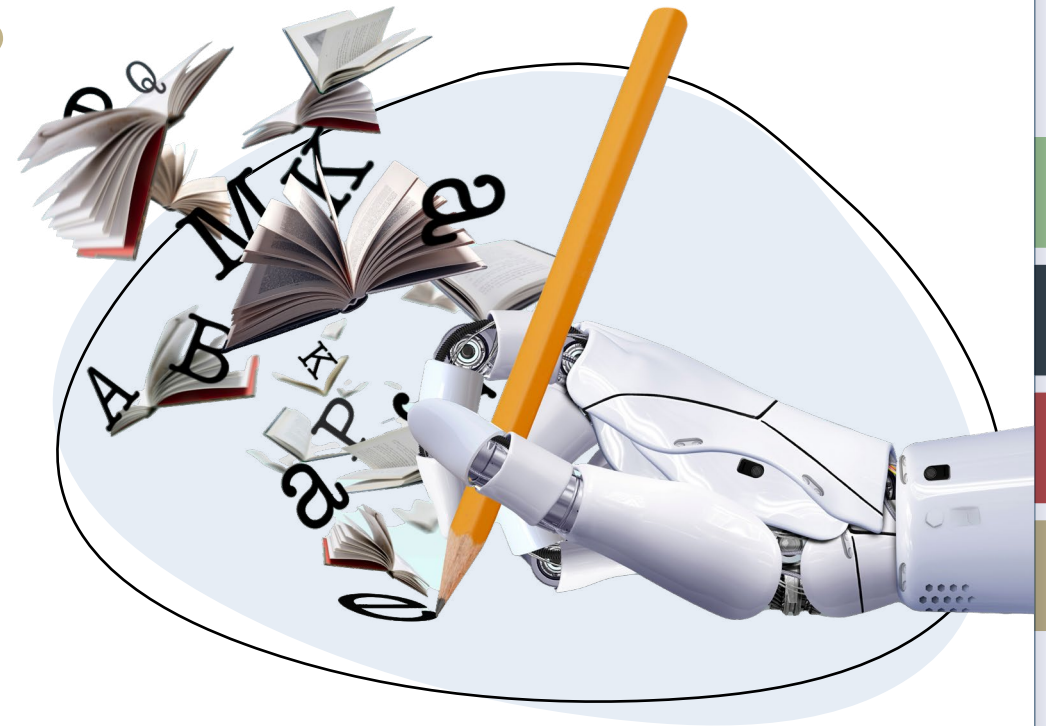
27% of employees in Germany have used AI in the workplace

Are Companies Living Up to Their Leadership Role Regarding the Use of AI?

Education on the possibilities & applications of AI is just as important as actively using the technology

Our Talent Trends 2024 survey shows that companies are only a small step ahead of employees when it comes to using AI, and Germany is almost on a par with the international trend.

According to a recent [McKinsey study](#), one third of organisations globally regularly use generative AI in at least one business area, but three-quarters expect the technology to significantly or fundamentally transform their business over the next three years. With more than half of employees expecting AI to have a lasting impact on their careers, companies can build confidence in job security and the potential benefits of the technology by communicating a clear AI strategy and investing in knowledge transfer.





TAKEAWAYS AND TIPS

AI

Staff expectations: Technological transformation is causing feelings of uncertainty among employees in terms of job security and tasks. They expect organisations to adapt to the high pace of change and to help employees prepare accordingly.

Positioning: Germany is ahead of the European average and almost on par with the international trend when it comes to using AI. Providing employee training opportunities is key to expanding competitiveness.

Fear of automation: Half of employees believe their careers will be affected by the technology in the long term. Open communication about AI tools in the workplace promotes confidence in job security and can help to retain talent.

Individual AI strategies: AI and its applications do not affect all industries and workplaces to the same extent. Individual solutions should be developed with the objective of technological progress and human skills complementing each other.

Salary



Flexibility



DE&I



AI





CONCLUSION

How Employers Can React to Bridge the Expectation Gap

Our Talent Trends 2024 survey examines the gap between employees' and employers' expectations, a discrepancy which continuously affects workplace and labour market dynamics and poses new challenges for companies in hiring and retaining employees.

Expectations differ across all facets of the modern working world, from salaries to DE&I efforts and AI solutions to policies for hybrid working models. This new dynamic poses a challenge for employers, who must find solutions to find a middle ground to the different expectations.

Our study suggests an approach to finding solutions: Acknowledge the diversity in attitudes towards work and tackle any issues through open communication and with mutual respect. Involve employees in discussions around issues such as workplace attendance, technology strategies and inclusion measures. Clearly defining your expectations on these topics has a reassuring effect on employees.

For a successful recruiting process, the authentic image of your company should align with a potential employee's vision of their future in terms of career and private life. There is no one-size-fits-all solution, but nurturing trust between employees and employers lays the foundation for constructive communication on expectations and how they can be met.

Expectations might currently be out of alignment, but we believe that now, more than ever, knowledge is power when it comes to finding solutions to the challenges described above. It is the power of knowledge which will ultimately make it possible to bridge the expectation gap and forge a future that works for all.





CONCLUSION

THREE TAKEAWAYS AND TIPS

Realign expectations to create a modern workplace dynamic

1

Build trust – both ways**Create a culture of open communication and clear expectation setting**

Building trust is not about delivering on every ask from workers, but it is important that you communicate decisions clearly and openly, even if they are not going to be universally popular and compromises are necessary. Trust cannot be forced; it requires time and patience to build. Give employees the opportunity to voice their expectations and propose solutions, especially if they value individual autonomy.

2

Become change-resilient**Manage workplace anxieties and demonstrate a preparedness for future transitions**

It is fine to not have all the answers to conundrums around culture, flexibility, and technological progress. Instead of offering ready-made solutions, show true leadership by implementing changes where appropriate to build trust and prepare people for the future.

3

Always be people-first**Human capital is any organisation's greatest asset – and requires continuous investment**

As our survey results have shown, there are more varied expectations for employers to navigate than ever, with no universal solution. Rather, it is important to focus on balancing individual needs instead of subordinating them to the collective. You will thereby nurture job satisfaction and create an inclusive environment.

Salary
Flexibility
DE&I
AI

PageInsights

Our Data, Your Takeaways

Detailed in this report are the key findings of our Talent Trends 2024 survey. When it comes to finding the talent you need in this increasingly competitive hiring landscape, we know that knowledge is power.

We have therefore launched an **interactive tool** which puts all the vital information on what is driving the talent market right at your fingertips. Explore our data your way, by filtering by country, industry, or job function – an easy point of reference to come back to as many times as you need.

Give the tool a try



About PageGroup

What are your recruitment needs?

The consultants of our four internationally recognised and respected brands are ready to help you find the right talent for your business.

PageExecutive

Executive search

Page Executive – the executive search division of PageGroup – offers a fresh approach to search, selection and advisory solutions for leadership talent. Recognised for the expertise and global reach of our consultants, as well as our powerful in-house research function, our tailored services, speed of delivery and high success rates are why organisations worldwide choose Page Executive to secure their leaders of tomorrow.



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Qualified professionals

Michael Page provides specialised recruitment services for professionals at middle management to leadership levels, along with highly specialised technical positions.



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Page Personnel brings together qualified candidates and young professionals with recruiting companies for permanent or temporary placement.



PageOutsourcing

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Page Outsourcing specialises in delivering high volume talent acquisition solutions for permanent and temporary workforces. With ability to meet ongoing or outcome based hiring needs, Page Outsourcing's support covers recruitment process outsourcing (RPO), managed service programs (MSP) and talent acquisition advisory services.



Scan or click on the relevant QR code to get in touch with one of our consultants

