

# BRIEF: TALENT RETENTION IN GERMANY

## INTRODUCTION

Since November 2022, IOM Denmark and IOM Germany have been implementing the **Talent Hub Project**<sup>1</sup> funded by the European Union via the Technical Support Instrument (TSI). In the project, IOM is looking at factors influencing retention, nurturing and attraction of **talent** in Denmark, Germany and selected countries, as well as **best practices to retain talent at all skill levels**.<sup>2</sup> Talent is understood as skilled and highly skilled Third Country Nationals (TCN), i.e., non-EU nationals that have come to Europe to work. This brief provides an overview of the initial project findings in regards to retention in **Germany**. That is, factors influencing **integration** and the potential to **stay and work longer** in Germany.

## RETENTION FACTORS

In the latest results of the **OECD 2023** study on **talent attraction**, while still ranking in the top half of all OECD countries, Germany has fallen behind in the international competition for highly skilled workers compared to 2019.<sup>3</sup> Adequate and timely **skills validation** and subsequent job-matching, paths to **citizenship**<sup>4</sup> as well as **digitalization** and digital infrastructure are areas where Germany can further strengthen its efforts.<sup>5</sup> Germany scores low in categories such as **housing** and **language**, as well as in **culture & welcome**. In contrast, Germany scores particularly highly on issues such as **salary** and **job security, stability of life, work-life balance** and **safety** as well as in **career prospects**<sup>6</sup> and **skills development**.<sup>7</sup>

Germany offers various **employment pathways** to Germany for skilled migrants under its current legislation. Ongoing legal reforms aim to expand the possibilities for skilled workers to move to Germany for employment purposes. The **new Skilled Immigration Act**, which was passed by the German parliament in June, aims at facilitating and accelerating entry into the German labour market for skilled workers. For example, under certain conditions, **recognition of qualification** acquired abroad will no longer be needed for employment in Germany. Anyone who has at least two years of professional experience and a professional qualification with at least two years of training (recognised by the state in which the qualification was obtained) may work in non-regulated professions in Germany.<sup>8</sup> The draft law further provides for a so-called “**opportunity card**” granting qualified TCNs without an employment contract a limited residence permit to seek employment once in Germany. The card will be issued based on a points system.<sup>9</sup> According to estimates, an additional 30,000 applications per year are expected.<sup>10</sup>

Under current legislation, skilled migrants may be entitled to a **settlement permit** after holding a work permit for at least four years. In relation to the mobility of TCNs within the EU, Germany applies the relevant EU directives, such as the **EU Blue Card**. EU Blue Card Holders may be issued a settlement permit under facilitated conditions.<sup>11</sup> Those who have been in possession of an EU Blue Card in another EU Member States (MS) for at least 18 months may enter Germany without a visa and apply for a Blue Card in Germany within one month after arrival.<sup>12</sup> The implementation of the legislative revision of the Blue Card (**EU Directive 2021/1883**), revising the conditions of entry and residence of TCNs for the purposes of highly qualified employment, will lead to a number of simplifications for EU Blue Card holders (e.g. in regard to short- and long-term intra-EU mobility in Germany for holders of an EU Blue Card issued by another EU Member State).<sup>13</sup>

One of the decisive factors for integrating into German society and remaining longer in Germany is knowledge of the **German language**. Knowing the language is key to participating in almost all areas of society such as communicating with local authorities or public services or when establishing social networks outside of work, especially in

more rural areas. In addition, sufficient knowledge of the German language is generally considered to be an essential prerequisite for successful integration into the labour market and further developing skills.<sup>14</sup> In 2016, **occupation-specific language courses** geared towards improving opportunities in the labour market were added to the regular language offers.<sup>15</sup> In addition, **subject-specific vocational language courses**<sup>16</sup> for individual occupational groups or in combination with vocational recognition procedures, are offered in cooperation with the Federal Employment Agency.<sup>17</sup> The **Goethe-Institute** holds a prominent position in providing German language education abroad. Their offerings include pre-integration programs, online and face-to-face courses, as well as **free online courses**. With its **pre-integration** programme, the Goethe-Institute supports labour migrants in i.e. preparing for everyday and working life in Germany before their departure to Germany. To bridge the time between immediate arrival and the start of integration services, they also provide support during the **transition phase**.<sup>18</sup>

**Family well-being** is a critical factor in attracting and retaining talent in the context of labour migration in Germany for several reasons. The well-being of a migrant's family directly impacts their quality of life. Additionally, family support plays an important role in achieving a work-life balance. Well-integrated families within the local community tend to feel more connected and at home, positively influencing employees' sense of belonging and encouraging them to stay in Germany. Recognizing the importance of family well-being, Germany has introduced specific initiatives<sup>19</sup> and legal aid to promote the integration of accompanying family members and facilitate family reunification for migrant workers. **Family reunification** is generally easier for those who hold a residence title linked to employment. There are further provisions for spouses of e.g., EU Blue Card holders with regard to access to the labour market in Germany as well as language requirements.<sup>20</sup> However, partners frequently face difficulties accessing the labour market, which is often due to language skills, recognition of their qualifications, the length of their stay in Germany and, in some cases, access to childcare.<sup>21</sup>

An important source of talent in Germany are **international students** who stay to live and work in Germany after their studies. In contrast to highly qualified workers, Germany scores high in terms of attractiveness for international students. German universities are very popular with international students and score highly on **excellent universities, low costs for studying and living** in Germany and the opportunity to **work and stay after graduation**. Upon successful completion of their studies at a German university, international graduates are granted a period of up to 18 months to search for employment in Germany that aligns with their qualifications. During this time, they are allowed to explore various job opportunities across different sectors in Germany.<sup>22</sup>

## WHAT IS BEING DONE?

While not always specifically targeted at labour migrants, retention and integration initiatives are often offered at the local and regional level<sup>23</sup> and can include onboarding initiatives, buddy systems, mentoring programmes as well as welcome centers. Companies can complement those services and some even offer their own welcome packages to talents. Various programmes offer counselling on **intercultural competence development** for central labour market actors.<sup>24</sup> The aim is to raise intercultural awareness, initiate intercultural exchange and reduce discrimination.<sup>25</sup> National and regional platforms intend to share **best practices** among labour market stakeholders and mostly aim at improving access to the labour market.<sup>26</sup> The **European Year of Skills** initiative encourages MS to strengthen learning opportunities and skills development, promote mobility and facilitate qualification recognition in order to attract skills and talent from third countries. Germany's ongoing endeavors to expand employment pathways for TCNs by simplifying skills mobility and transferability to address skilled labor shortage and promote an **inclusive labour market**, are in line with the efforts of the EU's initiative on skills.<sup>27</sup>

It requires a multi-stakeholder and whole-of-government approach to ensure equal access to the labour market. Continued collaboration and a critical evaluation of existing practices are necessary to create an **inclusive society** that embraces diversity and provides **fair opportunities** for labour migrants of all skill levels.

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# TALENT HUB

Supporting Copenhagen Capacity to strengthen retention and EU-Mobility of skilled migrants through collaborative multi-country coordination on talent retention and circulation in the EU

## NOTES:

- <sup>1</sup> The full title of the project is “Talent Hub: Supporting Copenhagen Capacity to strengthen retention and EU-mobility of skilled migrants through collaborative multi-country coordination on talent retention and circulation in the EU”
- <sup>2</sup> Depending on the source, what is here termed “talent” may also be referred to as expats, highly skilled or skilled workers or labour migrants. While the focus of the project and this brief are non-EU citizens, the group of expats and skilled migrants may also in some sources include EU or Nordic citizens on several skills levels that strictly speaking are not part of the project target group but also cannot be excluded from the sources.
- <sup>3</sup> See [OECD Indicators of Talent Attractiveness 2023](#)
- <sup>4</sup> The Federal Government has recently presented a draft law for modern citizenship law. The draft law was passed by the cabinet in August. The draft provides for the possibility of multiple citizenship and to make the path to acquiring German citizenship easier.
- <sup>5</sup> Bertelsmann Foundation on 15.03.2023 - [Germany falls behind in international competition for top talent \(bertelsmann-stiftung.de\)](#)
- <sup>6</sup> See [Expatriate Insider 2022 | InterNations](#)
- <sup>7</sup> See [OECD Indicators of Talent Attractiveness 2023](#)
- <sup>8</sup> See [The new Skilled Immigration Act \(make-it-in-germany.com\)](#)
- <sup>9</sup> The Federal Ministry of the Interior and Community Press Release on 30.11.2022 - [BMI - Press - Germany to thoroughly revamp immigration law \(bund.de\)](#)
- <sup>10</sup> See Bundesrat Unterrichtung - Entwurf eines Gesetzes zur Weiterentwicklung der Fachkräfteeinwanderung 19.04.2023 - [Microsoft Word - 0137-23\(zu\)Vor \(bundesrat.de\)](#)
- <sup>11</sup> See information on settlement permit in Germany on [make-it-in-germany.com](#) - [Settlement permit \(make-it-in-germany.com\)](#) (last accessed on 01.09.2023)
- <sup>12</sup> See information on EU Blue Card by the Federal Office for Migration and Refugees - [BAMF - Bundesamt für Migration und Flüchtlinge - The EU Blue Card](#) (last accessed on 01.09.2023)
- <sup>13</sup> Draft of a law on the further development of Skilled Immigration Act (*Entwurf eines Gesetzes zur Weiterentwicklung der Fachkräfteeinwanderung*) p. 3 - [bmi.bund.de/SharedDocs/gesetzgebungsverfahren/DE/Downloads/kabinettsfassung/entwurf-gesetz-weiterentwicklung-fachkraefteeinwanderung.pdf;jsessionid=2425AD205B1B58C252B24D07A0EEC3D4.2\\_cid350?\\_blob=publicationFile&v=8](#)
- <sup>14</sup> See for example [Do I need to know German? \(make-it-in-germany.com\)](#)
- <sup>15</sup> German classes up to level B1 are part of the legally regulated integration course, which is available throughout the country and is partly compulsory. Integration courses are offered by local language schools, funded by the Federal Office for Migration and Refugees.
- <sup>16</sup> Presentation of the Federal Government's measures for language promotion and integration (2019) - [Darstellung der Maßnahmen der Bundesregierung zur Sprachförderung und Integration](#)
- <sup>17</sup> The offer of job-related language courses is primarily aimed at job seekers, trainees and low-income earners to improve their chances on the labour market. Talents with a good income can attend such courses – however, not free of charge. If the employer does not reimburse the costs, an application for reimbursement of 50 per cent of the cost contribution can be submitted - [BAMF - Bundesamt für Migration und Flüchtlinge - Deutsch für den Beruf - Deutsch für den Beruf](#) (last accessed on 01.09.2023)
- <sup>18</sup> Dedicated programme website - [Pre-Integration - Goethe-Institut](#) (last accessed on 01.09.2023)
- <sup>19</sup> See for example [Bundesprogramm „Integrationskurs mit Kind“ \(fruehe-chancen.de\), starkimberuf.de](#)
- <sup>20</sup> See information on family reunification by the Federal Ministry of the Interior and Community (*Nachzug von Ehegatten und Kindern ausländischer Fachkräfte*) - [BMI - Arbeitsmigration \(bund.de\)](#) (last accessed on 01.09.2023)
- <sup>21</sup> German Centre for Integration and Migration Research (DeZIM) on potential of partners who join their spouses for the German labour market (*Überqualifiziert und un(ter)beschäftigt: Potenziale nachziehender Partner\*innen für den deutschen Arbeitsmarkt*) 2022 - [FA-5329.pdf \(dezim-institut.de\)](#)
- <sup>22</sup> See information on studying in Germany by the Federal Office for Migration and Refugees - [BAMF - Bundesamt für Migration und Flüchtlinge - Studium](#) (last accessed on 01.09.2023)
- <sup>23</sup> Cities like Berlin offer location specific support to their newcomers: [Talent Berlin: Arbeiten & leben in der Hauptstadt - Talent Berlin](#)
- <sup>24</sup> including employment agencies, municipal administrations as well as small and medium-sized enterprises.
- <sup>25</sup> See for example [MigraNet - IQ Netzwerk Bayern - Tür an Tür \(tuerantuer.de\)](#)
- <sup>26</sup> See for example [MigraNet Plus im Förderprogramm IQ - IQ Good Practice](#)
- <sup>27</sup> See [BMAS - European Year of Skills](#)

## SUGGESTED FURTHER READING:

- “How attractive is Germany for foreign professionals?” - OECD 2020
- “Introduction Measures for Newly-Arrived Migrants” – OECD 2023
- “Überqualifiziert und un(ter)beschäftigt: Potenziale nachziehender Partner\*innen für den deutschen Arbeitsmarkt” – German Centre for Integration and Migration Research (DeZIM) 2022
- “Partner\*innen im Familiennachzug: verdecktes Erwerbskräftepotenzial” – DeZIM 2020
- “Fachkräftemobilität verstehen – Eine Analyse der Wanderungsentscheidungen von Fachkräften aus Nicht-EU-Staaten.” – Goethe Institut 2020
- “Integrationsklima 2022” – Sachverständigenrat für Integration und Migration 2022