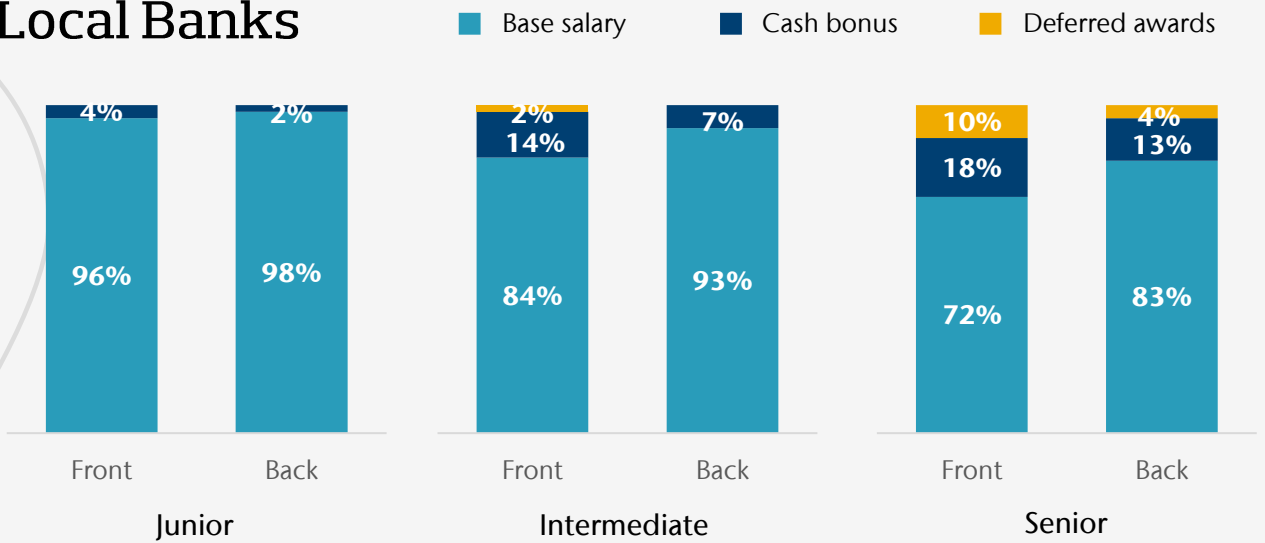


Rewards Solutions Presents

How Does Pay Mix Differ Across International and Local Banks in Germany?

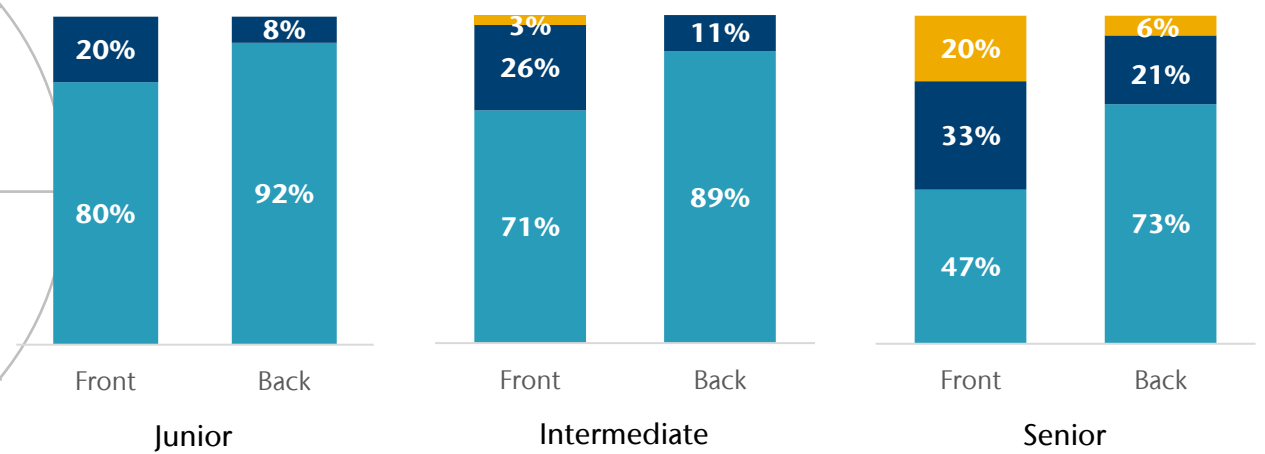
The post-Brexit period has seen many changes, including growth in the number of foreign bank branches in Germany and, as a result, new approaches to pay compared to local banks. Our McLagan Compensation Survey data reveals that foreign banks continue to apply their global pay philosophies in Germany, which lean significantly towards variable pay. On the other hand, German-based firms are required to abide by local regulations, leading them to invest more in salary pay, with typical bonus levels only reaching about 30%, even at the most senior levels.

Local Banks



The predominantly fixed compensation rate at German banks has caused an increase in the number of institutions considering eliminating variable compensation for back office employees, and even certain front-office functions.

International Banks



The impact of pay mix is most significant at senior levels, with foreign banks taking more of a 50/50 approach between fixed and variable pay. Such factors are crucial to consider, as they not only affect how firms must approach hiring for senior roles, but also the mobility of talent.

About Rewards Solutions

The Rewards Solutions practice at Aon empowers business leaders to reimagine their approach to rewards in the digital age through a powerful mix of data, analytics and advisory capabilities. Our colleagues support clients across a full spectrum of needs, including compensation benchmarking, pay and workforce modeling, and expert insights on rewards strategy and plan design.

Contact Our Team

For more insights on compensation trends in the German market, please write to Adithi Jagannathan at adithi.jagannathan@mclagan.com or Marcus Dammann at marcus.dammann@mclagan.com. For other inquiries, please write to rewards-solutions@aon.com.