Navigating Workforce Shifts in German Industry

Personnel Restructuring Radar

February 2026

By Jens Jahn and Marios Dimitriou

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders—empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.

Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.

Overview

03 Contents

04 Executive Summary

05 Interpretation Q4

06 Strategic Communication I

07 Strategic Communication II

08 Conclusion

Executive Summary

BCG's Personnel Restructuring Radar provides a quarterly, indicator-based view of workforce restructuring signals among Germany's largest listed corporates. In Q4 2025, the composite score held steady, pointing to a restructuring environment where workforce measures continue to be visible, while not intensifying or indicating a step-change toward sharper restructuring dynamics. Instead, the quarter reinforces the picture of ongoing adjustments, often tied to multi-year transformation and competitiveness programs.

All patterns at glance

The Radar is built on four equally weighted dimensions—personnel cost down intensity, short-time work, site restructuring activity, and social partner sentiment—each scored from 1 to 10 and aggregated into a composite score (maximum 40).

A stable composite score suggests that Q4 brought continuity rather than escalation. The Radar continues to capture a mix of signals across the four dimensions—cost measures, temporary flexibility, limited site-level activity, and ongoing social partner dynamics—rather than a swing toward a single dominant lever. This pattern is consistent with restructuring being treated less as an exceptional event and more as an established transformation instrument.

Communication patterns

The 2025 communication deep dive complements the Radar signals with a practical observation: how companies communicate restructuring increasingly shapes how stakeholders interpret and respond to announced measures. Across the cases reviewed, messaging quality varies most on two dimensions:

- whether companies translate a "case for change" into specific, decision-relevant detail (scope, timing, implementation logic), and
- whether they explain how people impacts will be managed (people measures and structured dialogue).

Messages that combined a clear rationale with execution specifics, explicit people measures, and visible two-way readiness tended to be more stable in terms of stakeholder interpretability. This finding is framed as a communication-quality pattern; it does not imply causality with market outcomes.

JENS JAHN
Managing Director & Partner,
BCG

MARIOS DIMITRIOU
Senior Analyst, People & Organization Practice,
BCG

Stable Momentum, Shifting Questions

Q4 2025 closes with a composite PRR score of 18/40, unchanged versus Q3. The key interpretation is therefore not whether restructuring "rose" or "fell," but what a stable reading implies at a time when workforce actions remain consistently present in public discourse. In practical terms, the figures point to continued managed adjustment: companies are still taking workforce-related measures, yet no broad re-acceleration into a new wave is evident.

As highlighted in our previous publication, the Q4 result is anchored in the PRR's four equally weighted indicators: personnel cost down intensity, short-time work, site restructuring activity, and social partner sentiment. Read together, the composite score provides an integrated view of how companies combine structural measures, flexibility levers, footprint actions, and stakeholder dynamics, rather than serving as a narrow "job cuts" metric.

This is where the Radar's value lies for interpretation: it helps distinguish between quarters that are "loud" in headlines but narrow in underlying breadth, and quarters where activity is more multi-faceted and likely to persist. Q4's stability suggests the former is not happening: there is no sign of sudden, broad-based escalation. Instead, the data points toward a continuation of restructuring as a structural management tool—often implemented as programmes, phased actions, or negotiated pathways—rather than as one-off crisis response.

Some key take-aways at glance

- **Restructuring remains present, but not accelerating.** A stable composite score indicates a steady flow of workforce-related measures across large corporates. The Radar does not suggest that restructuring has "ended"; rather, it signals that the intensity observed in Q3 has carried through into Q4 without a further step up. For stakeholders, this distinction matters: a flat reading tends to be more consistent with ongoing programme execution than with a sudden broadening of scope.

- **A multi-lever approach continues to dominate.** The PRR's four-part structure is designed to capture the way German corporates typically adjust: not only through permanent cost measures, but through a mix that can include temporary flexibility instruments, selective site actions, and social partner processes. Q4's score level is consistent with companies continuing to balance these levers, using restructuring as part of wider competitiveness agendas, but often in a staged and operationally managed manner. In other words, the quarter reinforces a pattern of "restructuring as transformation practice," rather than "restructuring as emergency intervention."

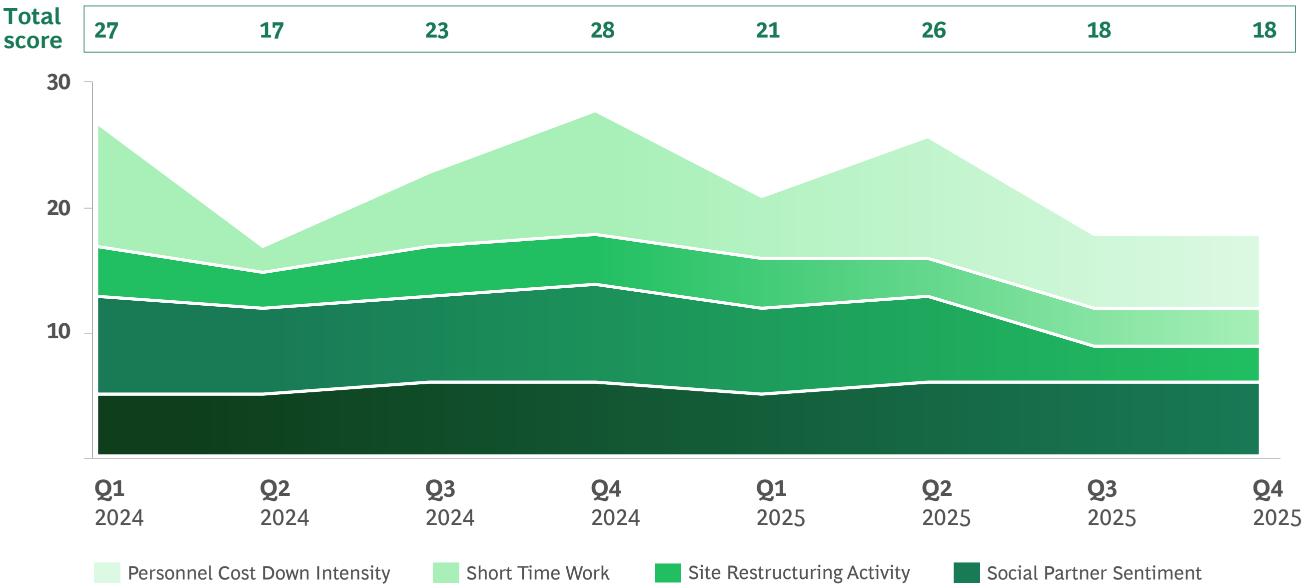
- **The "how" matters as much as the "what."** A stable Radar score can coincide with very different execution realities: a quarter dominated by isolated announcements looks different from a quarter where companies are systematically moving through programme phases (announcement → negotiation → implementation). Q4's reading supports the view that many organisations are now in the delivery phase of multi-quarter initiatives, where attention shifts from the headline to practical questions—timelines, sequencing, and stakeholder handling.

What we will monitor in the next quarters is whether communication quality increasingly differentiates outcomes. While the Radar captures activity levels, it does not directly measure message quality. However, our 2025 communication deep dive (p.7) suggests that, as restructuring becomes more normalised, stakeholder reactions depend increasingly on whether companies communicate with clarity on five elements. The next step is to observe whether stable restructuring intensity is accompanied by more consistent, complete communication—or whether gaps in messaging become a source of volatility in stakeholder response.

Taken together, Q4's stable score at 18/40 indicates a restructuring environment that remains structurally active but not accelerating, with a continued preference for staged and socially shaped execution. The most important implication is therefore forward-looking: not "will restructuring continue," but how the mix of levers evolves—and whether companies can sustain transformation momentum while maintaining clarity and predictability for key stakeholders.

EXHIBIT 1

Personnel Restructuring Scores Over Time



Source: BCG analysis.
Note: the PRR tracks number and intensity of publicly announced actions (e.g. layoff programs, site moves, etc.). It does not quantify total affected employees per quarter.

Media Analysis

Q4 language remains dominated by cost pressure and workforce adjustment, but with more "programme" framing than one-off "cuts." Articles increasingly focus on implementation—voluntary pathways, sequencing, and governance—rather than only announcing intent.

Keyword frequencies.

Headcount measures are regularly embedded in broader transformation narratives, often paired with terms that imply sequencing and governance (e.g., restructuring as an ongoing "programme" rather than a one-off "cut"). At the same time, the media increasingly surfaces the instrument layer: references to voluntary mechanisms, compensation-related elements, and staged pathways appear more frequently than in earlier "crisis" periods. Overall, the keyword pattern reinforces a message that workforce adjustment remains present, but is being discussed as part of planned, structured transformation.

Tonality shifts.

The tone of Q4 reporting is predominantly pragmatic and managerial. Rather than treating restructuring as an exceptional rupture, many articles describe it as a regular component of competitiveness work, where the emphasis is less on shock and more on execution. Even when measures are material, the narrative often reads as "pressure acknowledged, control asserted": companies are portrayed as shaping their workforce in response to economic realities, with commentary focusing on feasibility, timelines, and implementation choices. Where site-related actions are covered, the tone becomes more procedural, reflecting the way German corporates typically operationalize change: through defined steps, negotiated boundaries, and managed communication.

Sentiment markers and notable trends.

Two themes stand out. First, the press increasingly frames restructuring through a dual lens: financial necessity on one side, and stakeholder manageability on the other. That balance shows up in how frequently articles reference not only targets and savings, but also how measures will be implemented—especially in relation to voluntary levers and process design. Second, there is a clearer "shape" to Q4 storytelling: alongside announcements of reductions, media attention also highlights where companies signal stabilization elements (e.g., commitments, guarantees, or negotiated frameworks). This produces a more nuanced overall picture than a pure "cuts narrative," and reinforces the perception of restructuring as managed adjustment rather than crisis reaction.

Sector Communication

Separating Signal from Noise

Across 2025, restructuring communication in German large corporates became more program-led: not a single announcement, but a sequence around targets, levers, timing, and delivery. Most messages do two jobs at once: they explain why change is needed and how the people impact will be managed in a co-determined setting. Our review of 10 cases shows two consistent patterns: messages differ most on the “how” (people measures and execution detail), and market reactions don’t reliably mirror communication quality, which is why we treat stock moves as an outcome proxy, not a scorecard.

To analyze this consistently, we assessed the 10 cases along five message-quality parameters:

1. **Case for change:** Is the “why” explicit and understandable beyond generic statements (market, strategy, competitiveness driver)?

2. **Specificity:** Does the message quantify impact and timing (how big, by when), and reduce ambiguity?

3. **Execution path:** Does it explain “how it will happen” (phasing, levers, sequencing), not only what will happen?

4. **People measures:** Does it name workforce-impact instruments (e.g., voluntary programmes, severance, partial retirement, redeployment/reskilling) and how affected employees are handled?

5. **Two-way readiness:** Does it signal structured dialogue (works council/union process, social plan architecture, consultation), and readiness to engage stakeholders?

In parallel, we used market reaction as an outcome proxy (correlation, not causation), and therefore report stock effects only in aggregated form to avoid over-interpreting individual company moves.

What companies actually said in 2025: two recurring archetypes

Archetype A: Instrument- and process-explicit messages

The most complete messages combine all five dimensions: „why“, „how big and by when“, „how it will happen“, „which people levers“, and „how dialogue will work“.

- A media services player communicated a “socially responsible” reduction and explicitly named the instruments (e.g., severance programme and phased-retirement options), while signalling coordination with employee representatives.

- A large bank similarly quantified scope and timing with a clear reference to established „proven social-plan instruments“ – reducing ambiguity about how impacts would be managed.

In these cases, stakeholders didn’t need to guess the delivery model—the message made it explicit.

Archetype B: Direction-explicit / instrument-light messages

A second pattern is “direction-first” messaging: the rationale is strong, sometimes even quantified, but the people toolkit and dialogue path remain vague, leaving more room for interpretation.

- An automotive supplier communicated quantified savings ambitions and listed levers including headcount actions, while referencing cooperation with social partners. Yet, the excerpted statement was less explicit on which workforce instruments would be used.

- In an AI context, an insurance services player used inevitability framing (“business will change”), offering a strong case for change, but the excerpted message did not provide the same specificity on concrete measures or people levers.

When we quantified the message-quality readout across ten in-depth case examples using the five parameters, a consistent pattern emerged: companies are generally strong on the “why,” but weaker on “how it lands for people.” In 2025, communications frequently articulated the strategic or economic driver and often quantified impact, but less consistently described execution mechanics—and least consistently spelled out the people instrument set in a way that reduces stakeholder uncertainty.

Taken together, the evidence points to a small number of practical message ingredients that repeatedly separate higher-quality communications from the rest. The clearest differences are not stylistic, but structural: whether the message names concrete instruments, anchors expectations with timing and quantification, and signals how implementation and dialogue will be managed. The four learnings below summarize the most recurring patterns observed across the cases.

1) Instruments turn intent into a plan
The clearest messages move from “we will change” to “here’s how”: they name the toolkit (voluntary pathways, severance/partial retirement, social-plan mechanics) and the consultation setup - so the execution logic is visible.

2) Numbers and calendar create credibility
Hard numbers plus a timeframe do a lot of work. They reduce “unknowns” and make it easier to judge scope and sequencing, even before every detail is final.

3) “Socially acceptable” needs proof points
“Socially acceptable” lands best when it comes with concrete proof points, e.g. what mechanism will carry it (e.g., attrition/retirement) and what process will govern it (social plan / consultation steps). Otherwise it reads like intent, not design.

4) Progress updates reward consistency
Updates work when they reinforce an existing storyline: “we’re executing against plan.” They tend to draw less “headline shock” than first-time announcements, and they shift attention to delivery.

Outcome proxy: market reactions

Across the subset of cases where multi-horizon windows were available, market reactions were mixed in the short term and more often positive over longer horizons.

- **Day 1:** roughly half the events showed a positive reaction and half negative

- **Day 3:** reactions leaned more negative. (~38% positive/ ~62% negative)

- **1 week:** mixed again, with a meaningful “neutral” share. (Aggregated: ~50% positive / ~38% negative / ~12% neutral)

- **1 month:** the majority were positive. (Aggregated: ~75% positive / ~25% negative)

Note: see exhibit 2

This reinforces a core methodological point for our analysis: message quality and market reaction do not move one-to-one. Market prices incorporate fundamentals, guidance, sector cycle, macro sentiment, and positioning; communication quality can reduce uncertainty, but it cannot "override" external drivers.

Translating these patterns into practice, three pragmatic implications for externally facing restructuring communication emerge:

1. **Lead with the case for change, but make it decision-relevant.** "Why" is often present; what differentiates stronger messages is whether the rationale is grounded in concrete drivers and clearly linked to a programme logic.
2. **Quantify scope and timing to reduce ambiguity for stakeholders.** Numbers and a clear calendar help stakeholders anchor expectations and understand what will happen, by when, and at what scale.
3. **If possible, name people instruments and signal dialogue architecture early.** Naming workforce instruments (e.g., voluntary pathways) and signalling a consultation architecture increases completeness on "people measures" and "two-way readiness," reducing the risk that audiences fill gaps with assumptions.

EXHIBIT 2

Stock Price development after announcement

Conclusion

Q4 2025 reinforces a “steady-state” restructuring landscape. With the composite PRR score unchanged at 18/40, the quarter indicates continued adjustment activity—yet not a broad escalation. This is consistent with workforce restructuring being embedded in many companies’ transformation toolkits, executed with a measured cadence.

Key takeaways from Q4 2025:

1. **Stable intensity.** With the Radar flat at the same score, Q4 points to a steady cadence of workforce measures rather than a fresh wave. The signal suggests companies are largely in program execution mode, combining structural cost actions with selective flexibility levers.

2. **Restructuring remains structural.** Even without a quarterly spike, workforce adjustment continues as part of multi-year transformation and competitiveness agendas. The pattern suggests programmatic, phased measures rather than isolated, one-off actions.

3. **Execution works better socially shaped.** Visible dialogue structures can make delivery more transparent and reduce interpretive gaps. Stakeholder sentiment then becomes a signal for execution feasibility vs. friction.

4. **Communication quality matters.** Our deep dive suggests that complete messages, e.g., clear rationale, quantified specifics, execution path, people measures, and two-way readiness, reduce interpretive gaps and support stakeholder clarity. This is a communication-quality observation and should be read as correlational, not causal.

Outlook

Looking into 2026, the key question is less whether restructuring continues and more how the mix of levers evolves—from temporary flexibility to permanent structural measures, and from cost actions to footprint decisions where required. At the same time, the ability to communicate execution and people measures clearly will remain critical to maintaining stakeholder predictability as programmes move from announcement to delivery.

About the Authors

For Further Contact

Jens Jahn
Managing Director & Partner
Stuttgart
+49 1703347509
Jahn.Jens@bcg.com

Alisia Botthof
Project Leader
Munich
+49 1703344227
Botthof.Alisia@bcg.com

Laura Wagner
Project Leader
Munich
+49 1703347517
Wagner.Laura@bcg.com

Michael Lutz
Partner and Associate Director, Transformation and Workforce Optimization
Munich
+49 1703344620
Lutz.Michael@bcg.com

Sebastian Hubert
Partner
Munich
+49 1703344484
Hubert.Sebastian@bcg.com

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders—empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.

Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.