

# Germany: Mercedes increases pressure on 40,000 employees to leave the company

K. Nesan  
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When the Mercedes management board and IG Metall union announced the massive austerity programme “Next Level Performance” in February, Mercedes CEO Ola Källenius and the chair of the group works council, Ergun Lümalı, spoke—alongside the usual platitudes about efficiency and performance—of the inevitable reduction in jobs, though they did not mention specific figures. The entire savings process would be fair and socially responsible, they promised.

Shortly thereafter, the company contradicted this. Mercedes sent 40,000 employees a severance offer by email, which, according to internal reports, they would be well advised not to reject. An article that appeared at the end of July in the *Frankfurter Allgemeine Zeitung* under the headline “In the Shaken Mercedes World” provides insight into the pressure and terror exerted by management that is leading to unbearable working conditions within the company.

The intolerable situation is the direct result of the austerity programme devised by management, IG Metall and the works council. It is supposed to save €5 billion over the next three years: €2.5 billion in 2025, €1 billion in 2026 and €1.5 billion in 2027. A significant portion of these savings is to be achieved through job cuts. Källenius and Lümalı are also discussing wage reductions and speedups.

It is now clear that almost all the 40,000 employees who received the email are to be forced out of the company. There is no question of the “voluntary approach” that Lümalı praises. Even though it is currently claimed that the job cuts only affect “indirect” areas such as administration, development and engineering, and other non-production departments, factory workers with whom the WSW spoke are worried about the security of their jobs.

The ongoing severance discussions aimed at forcing the 40,000 to leave the company are not being led by direct supervisors but by senior management. The programme will continue until the end of March 2026. Those who resign by the end of July will receive a “turbo bonus.”

In an interview with the *Frankfurter Allgemeine Zeitung*,

head of HR Britta Seeger indirectly admitted that massive pressure is being placed on the workforce: “We are trying everything to ensure that employees do not perceive the conversations as pressure.” Nevertheless, one must be very clear about the objectives. The dismissal of 40,000 employees was the “basis for a faster and leaner organisation.”

Group works council chair Lümalı also defended this approach. He could understand that some might find the tough conversations “unpleasant.” He assured that if an employee said they had had enough and did not want any further conversations, “this would be respected.”

He justified the job cuts with the following words: “We knew that in such a difficult situation as we are in, the question would arise whether we could maintain the number of jobs. One lever is always the personnel.”

Lümalı boasted that IG Metall had achieved the best outcome by securing “at least some predictability for colleagues.” Despite the reduction of 40,000 jobs, he claimed: “The exclusion of compulsory redundancies until 2035 gives us great security.”

With the so-called “exclusion of compulsory redundancies” and alleged “job security,” IG Metall and its works council members always seek to appease workers whenever it is a matter of giving companies a free hand for austerity programmes, redundancies and plant closures.

The IG Metall apparatus acts as the industrial police on behalf of management. It undermines any independent resistance by the workforce through isolation, threats and disciplinary measures. That is why Lümalı brushes aside the widespread anger and frustration among workers. “I do not get the impression that our team is frustrated,” he told the *Frankfurter Allgemeine Zeitung*.

The role of the works council was also revealed in March, just weeks after the announcement of “Next Level Performance,” when management ordered office staff back to the workplace despite a company agreement on working from home.

The chair of the Stuttgart Mercedes-Benz headquarters

works council, Sabine Winckler, reacted with irritation. But her concern was less about the inadequate workplaces and conditions, which after years of working from home are now increasing pressure on the 40,000 colleagues to leave the company. Rather, she too took to the company intranet to express concern about “industrial peace.” She wrote that Källenius had “undermined social peace and the work culture in the company with a series of questionable decisions.”

The main interest of the union officials is “social peace.” This is to ensure that management can implement one austerity programme after another without being disturbed by the workforce. For maintaining this “social peace,” IG Metall officials sitting on works councils and supervisory boards are handsomely rewarded. Top earners such as Lümali receive mid-six-figure salaries from Mercedes.

But contrary to the claims of the IG Metall apparatus representatives, there is no “final” austerity programme. The next one is already being prepared, as the international tariff and trade war and intensified competition in Asia and America are being waged entirely at the expense of the workforce.

The half-year results announced by Mercedes-Benz last week reflect this brutal global economic war. Sales fell by almost 9 percent to €66.4 billion, and profits declined by more than half compared to the previous year. Analysts stressed that this was a historically negative result for the company in its more than 100-year history. Shareholders reacted immediately. Mercedes shares fell by almost 12 percent over the past five days.

CEO Källenius pledged to “stay the course,” pledging to continue with “rigorous cost management.”

Mercedes is not making losses but, like VW, continues to earn billions. However, profit margins and returns are falling. The consequence would normally be a lower dividend for shareholders such as BlackRock, Morgan Stanley, the Chinese carmakers BAIC and Geely, and the Emirate of Kuwait. But this is not tolerated. The profit interests of shareholders are the sole corporate purpose and take precedence over jobs, working conditions and workers’ livelihoods.

After Volkswagen, Mercedes, Audi, Bosch, Continental, ZF and many other companies have destroyed the livelihoods of hundreds of thousands of workers on this basis, several firms are entering the armaments industry. IG Metall and other unions explicitly support this and praise it as the creation of new jobs.

Mercedes is also entering the war economy. In March, the company received a “defence order” from the federal government for the delivery of 4,800 G-Class vehicles. These vehicles, originally developed for military use and

codenamed “Wolf,” are to be added to the arsenal of the Bundeswehr (Armed Forces). With a unit price of over €124,000, the arms contract is worth around €1.3 billion.

Thus, Mercedes is profiting from the insane rearmament by the federal government and the European Union. The trade unions support this rearmament and defend “their” corporations against international competition. As Jürgen Kerner, deputy chair of IG Metall, emphasised a year and a half ago in a joint position paper by IG Metall, the SPD Economic Forum and the Federal Association of the German Security and Defence Industry (BDSV):

But contrary to what one might think, the Bundeswehr special fund [of €150 billion] does not automatically strengthen domestic industry. On the contrary, it risks being left behind if more and more is purchased overseas and the government does not ensure that German companies carry out maintenance and upgrades. We finally need a military-industrial policy.

Workers are expected to pay for this nationalist war policy not only with their jobs and wages, but also with their lives on the battlefields.

At factory gates, workers have reported to the WSWs about the increased work pressures and tense atmosphere—but only after making sure that the WSWs reporters were not part of IG Metall. They said there was strong resistance to the manoeuvres of the IG Metall works council, which acts as an extension of management and is also perceived as such.

This resistance needs a perspective. It is essential to break politically and organisationally with IG Metall and its works councils in order to repel Mercedes’ attacks. What is required is the building of independent action committees that are only accountable to the rank-and-file, take the struggle into their own hands, and link up with action committees in other plants, companies and countries.

They must unconditionally defend all jobs at all sites and reject all concessions on wages and social gains. Secure jobs and decent wages are more important than the profits of billionaire shareholders.



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