

## **Economy and labor shortage having negative impact on temporary staffing via staffing service providers**

*Despite a bleak economic outlook, the acute labor shortage is causing concern for many companies and giving job seekers greater bargaining power.*

**According to the Swiss Staffingindex, the temporary staffing sector via staffing service providers is in minus figures (-3.4 percent) for the first time in two years. The permanent staffing sector saw an economic boom with growth of 15.3 percent. This is because labor shortages are increasingly putting the brakes on growth for staffing service providers, and for the economy as a whole. Firstly, the faltering economy and the normalization following the coronavirus crisis are meaning that companies are experiencing fewer short-term peaks in orders that need to be covered by temporary workers. And secondly, companies that are still seeing good business levels are increasingly turning to permanent positions – because the market has become more predictable and in order to increase employee loyalty.**

### **Tense recruitment situation for companies**

“Unprecedented demand for qualified specialists clearly shows that the labor shortage is still escalating in Switzerland”, notes Jan Jacob, Country Manager ManpowerGroup Switzerland, based on the Manpower Employment Outlook Survey. Three out of four companies reported difficulties recruiting specialists, and this development is having an impact on the job market. According to the Adecco Group Swiss Job Market Index, the number of job vacancies during the first quarter of 2023 is only slightly below the historic peak in Q4 2022. Marcel Keller, Country President Adecco Group Switzerland, puts things into perspective: “After nearly three years of Covid-related uncertainty, there is a growing sense of confidence. Companies are once again investing in permanent positions and offering permanent employment to more and more temporary workers. In addition, as well as increasing labor shortages, Covid also boosted specialists’ bargaining power, meaning that companies are doing all they can to retain employees – for as long as possible.”

### **Hot competition for talent on the labor market**

Given the tense labor market situation, companies are having to find new ways to win over candidates. Competition for Generation Z is particularly high. The most recent white paper by HR consultant Careerplus shows that values and flexibility are the key to success. 64 percent of Generation Z dream of doing some good. Just 19 percent of respondents would work at a company that did not share their

values, and four in ten candidates would reject job offers that did not allow for working from home. Flexibility is a general trend in professions with specialist labor shortages. A survey of people with medical job profiles on the recruitment platform Coople showed that 76.4 percent felt that being able to freely choose their working hours was a benefit. 63.1 percent used flexible work for additional income and 38.8 percent were seeking a better work-life balance.

### **Outlook**

The tense labor market situation is worrying staffing service providers. Looking ahead to the next six months, 46.8 percent expect to see an increase in business activity in the temporary staffing sector. 32.5 percent also expect the permanent staffing sector to see a further increase. For comparison, in Q1 2022 these values were 70 and 54 percent respectively. The parched labor market and lack of economic momentum are most likely the main reasons why managers feel this way. One element that could have a positive impact on business growth is the fact that employees are using the good labor market situation to change jobs or deliberately opt for flexible working models such as temporary work.

### **→Further Information:**

The next page shows the index's key data and the development of the underlying index values. Other statistics are available by clicking on [this link](#).

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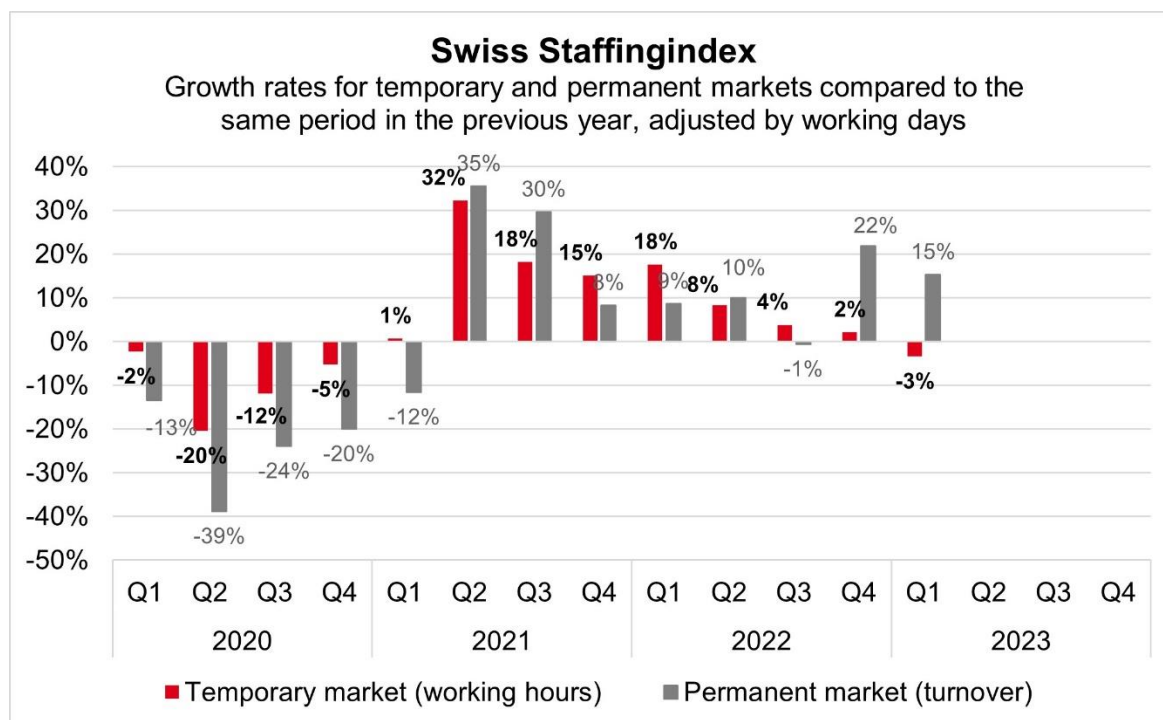
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Swiss Staffing Index key data	
Staffing service providers included	400 companies
<b>Temporary Market</b>	
Working hours recorded per year	103 million
Market coverage of temporary market	Approx. 50 percent
<b>Permanent Market</b>	
Permanent position placements recorded per year	8,500
Market coverage of permanent market	Approx. 40 percent
<b>Publication Schedule</b>	
Frequency of publication	Monthly
Media release interval	Quarterly
Next provisional publication date	July 31, 2023

Source: swissstaffing, Q1/2023

**Swiss Staffingindex: Temporary market (working hours), basis: Q1 2018**

	2018	2019	2020	2021	2022	2023
<b>Q1</b>	100.0	103.7	101.4	102.0	120.0	124.1
<b>Q2</b>	134.6	132.8	105.6	139.7	151.3	
<b>Q3</b>	140.5	140.1	123.4	145.8	151.4	
<b>Q4</b>	128.7	129.2	122.4	140.8	145.6	

Source: swissstaffing, Q1/2023

**Swiss Staffingindex: Permanent market (turnover in CHF), basis: Q1 2018**

	2018	2019	2020	2021	2022	2023
<b>Q1</b>	100	103.5	89.6	79.2	86.0	99.2
<b>Q2</b>	105.7	110.7	67.7	91.7	100.9	
<b>Q3</b>	97.4	90.9	69.2	89.6	89.1	
<b>Q4</b>	92.3	82.6	66.0	71.5	87.1	

Source: swissstaffing, Q1/2023

**swissstaffing** is the center of excellence for staff leasing companies in Switzerland. As an employers' association, swissstaffing represents the interests of its 470 members in matters of policy, the economy and society. swissstaffing is a social partner of the CBA on Staff Leasing, the agreement covering more employees in Switzerland than any other.

**Studies on temporary workers and staff leasing companies in Switzerland**

The market research institute gfs-Zürich completes regular surveys on behalf of swissstaffing. The current studies can be found by clicking on [this link](#).