

## **Swiss Staffingindex: Labor shortage impacts staffing service providers**

*Despite dire warnings that the Swiss economy could weaken, the labor market is robust, which is paradoxically shown by red figures in the staffing service sector.*

**Staffing service providers concluded the second quarter of 2023 with a 5.6 percent decrease in temporary staffing compared to the previous year. The revenue with permanent positions, on the other hand, increased 7.9 percent. When temporary positions are down and permanent positions are up, it is a typical sign of full employment: While temporary workers are being permanently hired by their contracting companies more quickly, it is harder to recruit new temporary workers. In the permanent position market, staffing service providers are increasingly acting as consultants and head-hunters, creating growth and almost leading to the record level seen in 2019.**

### **Full order books: consequences of a strained labor market**

The strained labor market is bringing staffing service providers many requests from companies on the search for workers: Sarah Pfander, CEO of ATEC Personal AG, a staffing service provider in the Fribourg area of Switzerland's Mittelland, reports: "Our number of temporary workers is far below that in previous years. The enquiries would be there but there is a lack of people searching for short-term positions." Balz M. Villiger, Vice President, Country Manager Switzerland & Group Leader Benelux at Kelly Services (Schweiz) AG confirms this: "The shortage of skilled workers is still THE topic concerning companies. There is a lot of movement in the market. For staffing service providers like Kelly, this means that if you can deliver, you will win. In this regard, we can prove that we find the talent people are searching for." On average, the temporary staffing market is down compared to the record year of 2022, as shown by the Swiss Staffingindex. In this situation, the permanent staffing sector is one of the key pillars for staffing service providers. Sarah Pfander knows: "For permanent position placements, we can make full use of our recruiting expertise to bring customers and talent together." The longer time periods compared to those in the temporary staffing sector are a decisive factor in the permanent staffing market's success.

### **Outlook**

Dr. Marius Osterfeld, Head of Economics and Politics at swissstaffing, knows that there are two potential medium-term scenarios: "Either the wind changes direction and the economy declines or full employment remains constant because of a robust economy and demographic change." In the first scenario, the declining economy will negatively impact the sector. At the same time, the staffing service providers'

integration role will become more important for the labor market. Staffing service providers help new people searching for a job to get back into work quickly and dampen the downturn. If full employment continues, the working population's need for flexibility and change will increase in the medium term. This will benefit both the temporary and the permanent staffing sectors. The first signs of this have been apparent for a long time: online labor platforms, under the umbrella of staff leasing, and payrolling for freelancers who would not be recognized as self-employed have been growing markets for years. Economist Osterfeld comments: "Even in an economic decline, this would later seem like a dip. In view of current demographics, the Swiss labor market will lose thousands of workers each year in the future and these must be replaced."

### **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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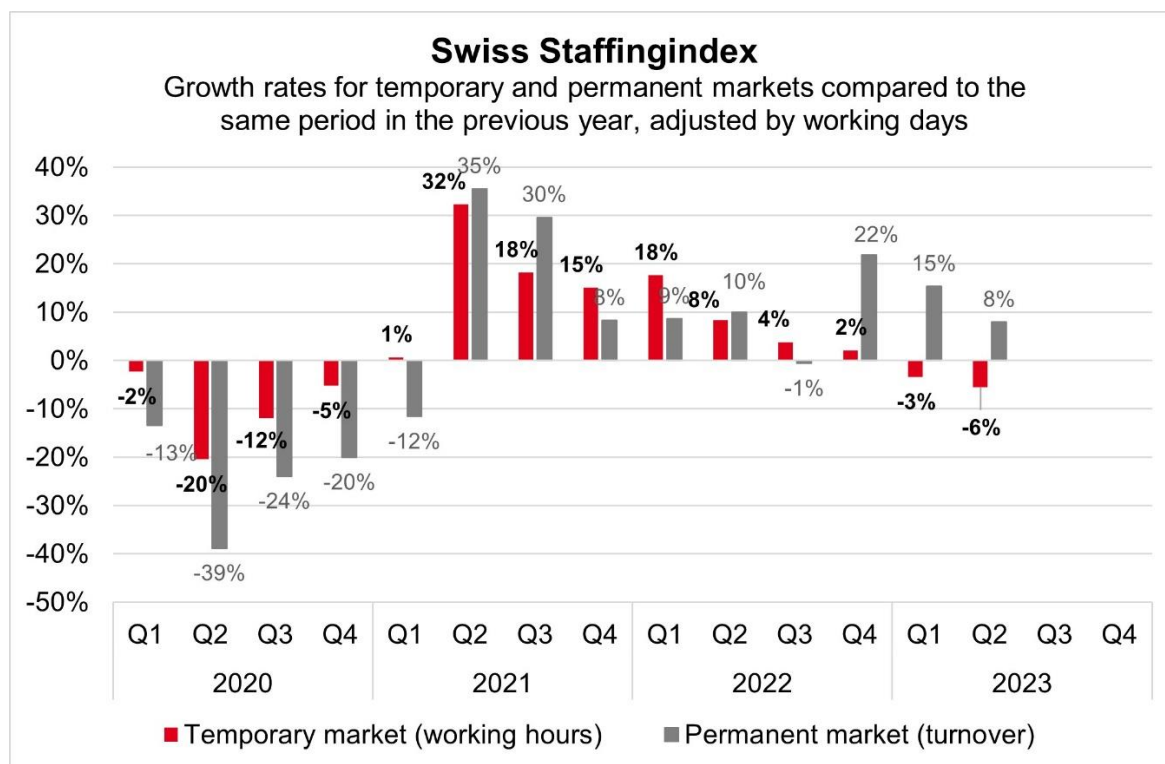
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Swiss Staffing Index key data	
Staffing service providers included	400 companies
<b>Temporary Market</b>	
Working hours recorded per year	103 million
Market coverage of temporary market	Approx. 50 percent
<b>Permanent Market</b>	
Permanent position 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	October 30, 2023

Source: swissstaffing, Q2/2023

**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	142.8
<b>Q3</b>	140.5	140.1	123.4	145.8	151.4	
<b>Q4</b>	128.7	129.2	122.4	140.8	143.8	

Source: swissstaffing, Q2/2023

**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	85.6	99.2
<b>Q2</b>	105.7	110.7	67.7	91.7	99.1	108.9
<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, Q2/2023

**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](#).