

Swiss Staffingindex: negative start to the year for the temporary and permanent employment markets

The economic slowdown has reached the labor market. There is still a skills shortage. Combined, these two market trends have caused the temporary and permanent employment markets to shrink.

The slowing economy is forcing staffing service providers to begin the year in the red: in the first quarter of 2024, the staff leasing sector was down by 4.5 percent compared with the same period in the previous year. The drop in the permanent market was even more significant, at 6.3 percent. The downturn in these two business areas is a clear sign of an ailing economy. Companies' need for labor is falling. A drop in orders means that they need fewer short-term staff and are delaying filling full-time positions. Specialists in occupations with shortages, such as computing, industry and health care, still have good prospects. Demographic and technological change are increasing demand in these sectors and changing job profiles at incredible speed.

Companies more selective for permanent positions

Stephan Zehnder, Country Manager Switzerland at the staffing service provider persona service GmbH, notes that the market in his sector is bleaker than last year. "Whilst during last year's economic boom, companies were happy to make compromises in filling positions, they are now leaving vacancies unfilled for significantly longer. They are waiting for the perfect person with all of the skills they need." Companies are able to do this: the drop in order volumes is relieving the burden on current staff and making appointing new ones less urgent. The cooling economy is also getting the labor market moving. Various companies are therefore hoping to find the perfect fit for their vacancy, if they are patient enough.

Temporary market at turning point in the economy

When an economic boom is turning into an economic downturn, this always significantly affects the temporary sector. One clear sign of this slowdown: planned projects are being delayed due to pressure to make savings and waning demand. At the same time, the effects of economic boom can be felt. A lack of materials, for example from India or China, is delaying fulfillment of existing orders. In both cases, this means canceling or delaying the use of temporary workers. Stephan Zehnder notes: "The staff leasing sector is dragging. Some of our clients have announced short-time working for their permanent staff. So it would be a paradox to expect more temporary staff to be recruited."

Staffing service providers cautious about the future

In this more difficult economic environment, a well-functioning labor market becomes increasingly important. Staffing service providers help people who have lost their jobs gain a foothold in the working world. Frictional unemployment remains short, and the flexibility of temporary work enables companies to create jobs as soon as order volumes allow. The sector thus becomes an early indicator of any recovery. Marcel Keller, Country President of the staffing service provider Adecco Group Switzerland, describes the current economic situation as follows: “After a market slowdown in job growth during 2023, the job market experienced a further downturn at the beginning of 2024. Despite this development, the current situation on the labor market is still extremely positive compared to before the pandemic.” The CEOs of staffing service providers are still showing a degree of skepticism about the future. Although a survey by gfs-zürich showed that 41 percent expected the temporary sector to grow in the next six months (average on a long-term scale), just 15 percent expected the permanent market to grow – a comparatively low number. This breakdown shows that CEOs are expecting a period of economic uncertainty.

More information:

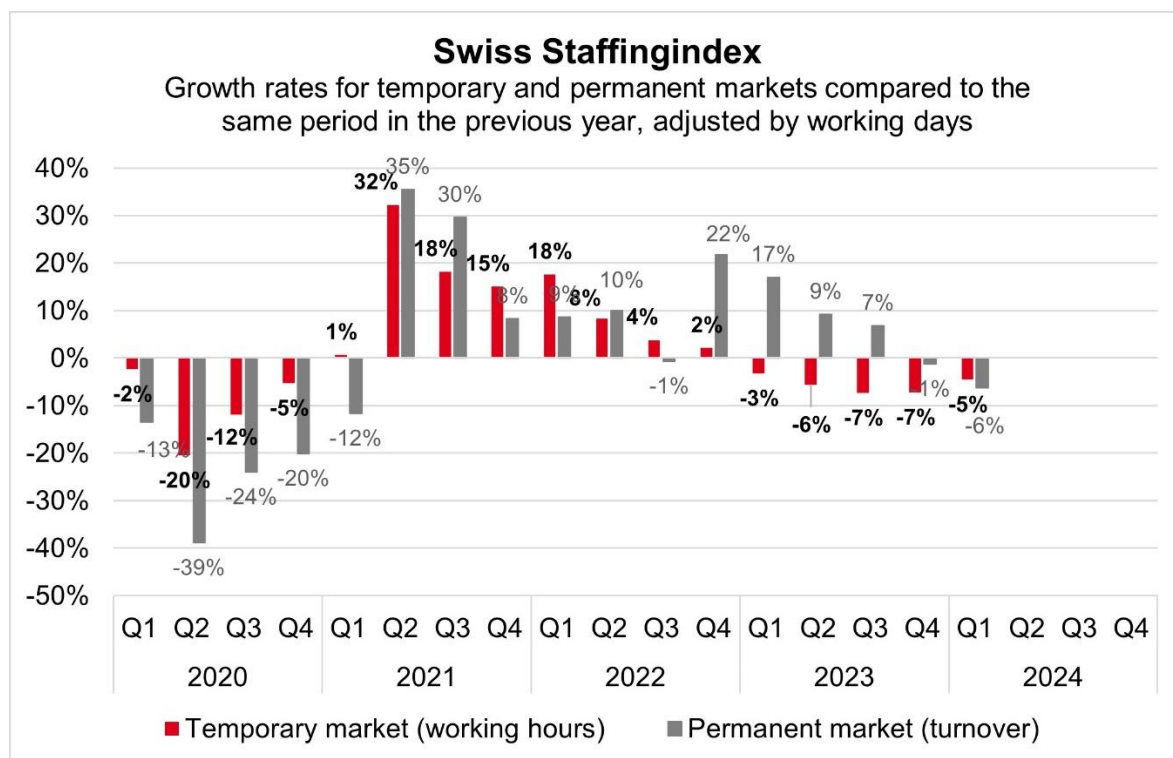
The next page shows the index's key data and the development of the underlying index values. Other statistics are available by clicking on [this link](#).

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Swiss Staffing Index key data	
Staff leasing companies included	400 companies
Temporary staffing market	
Working hours recorded per year	103 million
Temporary staffing market coverage	approx. 50 percent
Permanent staffing market	
Permanent job placements recorded per year	8500
Permanent employment market coverage	approx. 40 percent
Publication dates	
Frequency of publication	Monthly
Frequency of press releases	Quarterly
Next provisional publication date	30 July 2024

Source: swissstaffing, Q1/2024

Swiss Staffingindex: temporary staffing market (working hours), basis: Q1 2018

	2018	2019	2020	2021	2022	2023	2024
Q1	100.0	103.7	101.4	102.0	120.0	116.1	111.1
Q2	134.6	132.8	105.6	139.7	151.3	142.8	
Q3	140.5	140.1	123.4	145.8	151.4	140.3	
Q4	128.7	129.2	122.4	140.8	143.8	133.5	

Source: swissstaffing, Q1/2024

Swiss Staffingindex: permanent staffing market (turnover in CHF), basis: Q1 2018

	2018	2019	2020	2021	2022	2023	2024
Q1	100	103.5	89.6	79.2	85.6	100.6	94.3
Q2	105.7	110.7	67.7	91.7	99.1	110.2	
Q3	97.4	90.9	69.2	89.6	89.1	95.1	
Q4	92.3	82.6	66.0	71.5	87.1	86.0	

Source: swissstaffing, Q1/2024

swissstaffing is the centre of excellence for staffing service providers in Switzerland. As an employers' association, swissstaffing represents the interests of its 480 members in matters of policy, the economy and society. swissstaffing is a social partner of the CBA on Staff Leasing, the contract covering the majority of Switzerland's employees.

Studies on temporary workers and staffing service providers in Switzerland

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