

VON RUNDSTEDT EMPLOYMENT MARKET BAROMETER I/2020 (BASED ON OUTPLACEMENT STATISTICS FOR 2019)

Zurich – the numbers of the annual von Rundstedt outplacement statistics in 2019 on the one hand show just a few changes from the at times unusual results for 2018. On the other hand, a few new, interesting trends are clearly recognisable. This barometer relates to the whole of Switzerland and is based on information from 1,524 employees affected by redundancy and 192 companies from various industries that had to give notice of redundancies in Switzerland in 2019. It thus creates an interesting picture of the mood of the Swiss job market in 2019. The following is an overview of the most important findings:

1. 40–50-year-olds are at the greatest risk of redundancy

"The rate of redundancy among 40–50-year-olds is by far the highest and is well above their demographic share of employment".

Compared to the demographic distribution of employment, the age group of **40–50-year-olds** faces redundancy by far the most frequently. While this age group accounts for only 25% of the workforce, **42%** of lay-offs fell on them. On the other hand, younger workers face redundancy much less frequently. For example, only **27%** of lay-offs affected **younger workers (under 40)**, even though they account for 44% of the Swiss job market. Contrary to common claims, the **31%** rate of redundancy for the **over-50s**, who are considered an at-risk group, is normal. It roughly corresponds to their demographic share of employment of 30%. This makes it possible to refute the claim that over-50s face discrimination in the event of dismissals.

The following overview will provide some clarification:

	15–39-year-olds	40–50-year-olds	Over-50s
Share of employment	44%	26%	30%
Dismissals in 2019	27%	42%	31%

2. Over-50s are increasingly needing longer and longer to find a job

"The time spent searching has generally increased despite a shortage of skilled workers. The search for a job takes significantly longer, especially for those over 50".

The length of the job search for laid-off workers increased slightly over the last year. This is despite the fact that there were more vacancies in the Swiss job market than in previous years and the job market economy was positive. In 2019, the duration of the search was now **5.6 months** as an **overall average**. It should be noted that the search duration for younger workers (under 40) has once again decreased slightly. It is currently around 4 months. By contrast, the search duration for older workers has increased significantly. It is **5.8 months** for **40–50-year-olds** and **7.8 months** even for the **over-50s**. This shows that age is increasingly becoming a disadvantage when looking for a job. The duration of the search depends not only on age, but also on other factors. There are thus over-50s who find a new job relatively quickly, while others need that much longer. We note that the discrepancy between the **"easy" profiles** (search duration of **3.5 months**) and **"difficult" profiles** (search duration of **11.2 months**) is still large. This indicates the increasing polarisation in the job market.

3. The vacancy registration requirement has had an effect

"Vacancies are advertised much more often. But the over-50s do not benefit from this."

In 2019, many more of the vacancies were advertised publicly than in previous years. One important reason is certainly the new requirement to register vacancies that was introduced in 2017. However, in addition, digital possibilities and social media have made it much easier for smaller employers to publish jobs for free. This increasing transparency in the Swiss job market means that in 2019, at **41%**, a great proportion of successful job placements were achieved through **public job advertisements**. In the previous year, this figure was only 24%. Only **33%** (previous year 41%) of posts were filled via personal contacts on the **"hidden job market"**. The hidden job market is, therefore, still an important search channel. The proportion of jobs found through **headhunters or employment agencies** fell again in 2019, from 9% in 2018 to **8%**. It can thus be stated that the **vacancy registration requirement** makes an important contribution to transparency in the Swiss job market and is a success in this regard. However, we note that the most successful search channel for the over-50s (the original target group of the vacancy registration requirement) is still the hidden job market. They continue to encounter difficulties with public advertisements and recruitment procedures and predominantly find success through personal contacts.

4. The lack of skilled workers makes employers more flexible

"The zero gap is decreasing. Mobility is increasing."

While the zero gap has increased continuously in recent years, we saw a strong increase in industry mobility and functional flexibility for the first time in 2019. Thus at **48%**, almost half of the job seekers managed to **change industries**. This is a big increase compared to the previous year (25%). At **32%** (previous year 25%), **functional mobility** has also increased significantly. Almost a third of the job seekers found a job with a new role when reorientating their career. Apparently, the increasing **shortage of skilled workers** is ultimately having a positive effect on mobility and dynamism within job search. This shows that the longer employers and workers cope with structural change, the better they cope with it as well, and the more flexible the Swiss job market becomes. This development is confirmed by the fact that many companies are meeting increasing agility with increasing internal mobility.

5. Salaries again rise more strongly for new hires

"Most job seekers achieve a higher salary in their new job."

Another surprise is the positive development of the salaries of those who have been made redundant once in their new positions. While salary cuts, naturally, often have to be recorded in the case of lay-offs, this picture did change in 2019. Last year, for example, even **those who had lost their jobs** were able to register an average **wage increase of 3%** (previous year -9%). Across **all new hires** (including those directly headhunted), the wage increase was as high as **6%** (previous year 0%). This makes it clear that, in addition to positive growth in the job market, the increasing **shortage of skilled workers** generally has a positive effect on wage developments in Switzerland.

However, we note an exception here for the **over-50s**. In this risk group, one's salary development after losing a job remains negative, at **-6%**. However, compared to the previous year (-12%), this value has improved significantly.

VON RUNDSTEDT

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About outplacement

Outplacement is a service that a company offers to those affected by redundancies in the spirit of social responsibility. It ensures that those affected are given professional and targeted support in reorientating their careers and with their job search. If the employer offers outplacement to the leaving employee, the employer actively contributes to that employee quickly finding a position that is suitable for him or her. The employer also does something good for itself, because this type of separation costs it far less and also improves its image as an employer over the long term.

About von Rundstedt

von Rundstedt was founded in 1985 and is today the leading outplacement provider in Germany, Austria and Switzerland. von Rundstedt operates from out of 9 locations throughout Switzerland (Basel, Bern, Geneva, Lausanne, Lugano, Lucerne, St. Gallen, Zug and Zurich) and employs around 80 people. von Rundstedt works with companies across all industries that face staff cutbacks and lay-offs and supports the employees affected by lay-offs in reorientating their careers. You can find more information at www.rundstedt.ch.