CONTRADICTIONS IN THE SWISS LABOUR MARKET.

A study of the Swiss labour market and its contradictions and dilemmas.

HR Today
Know-how for tomorrow

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Integrity. Success. Pragmatism. Innovation. Care.

The pandemic is behind us, but so are the irregularities that resulted from the supply shock. After the pandemic, the labour market not only recovered but it actually overheated following the economic boom. Compensation for the pandemic shock has been felt in the labour market well into 2023. In addition to general demographic pressures and structural shortages of skilled workers in specific industries, cyclical pressures have been added to the mix, leading to a strongly perceived shortage of skilled workers. This is slowly cooling down again in 2023. There is again increased corrective action and restructuring on the employer side. Nevertheless, the official unemployment rate of SECO is still at a low level between 1.8% and 2.2%. And the labour shortage rate (including those who have left the labour market and are underemployed) is also at a record level of 8.7%.

So, on paper and in terms of the numbers, things are looking good for employees. However, employers are having a hard time finding suitable skilled workers. But a free market usually takes care of such phases by itself. Markets usually function according to clear and reasonable rules. In liberal Switzerland, we believe in principle that imbalances are temporary and that a market regulates itself. Therefore, political intervention is largely frowned upon. Nevertheless, it is noticeable that there are currently more inconsistencies in the labour market than usual. These irregularities are often perceived as contradictions. That is why we would like to use this study to investigate the most striking phenomena and seek clarifying answers.

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1. KEY FINDINGS AT A GLANCE

1) HARDLY ANY SUPPORT FROM THE EMPLOYER SIDE FOR AT-RISK GROUPS AND THE MOST VULNERABLE

An overwhelming majority of 82% of the companies see an urgent need for action to strengthen and support the perceived losers and disadvantaged in the labour market. Yet employers hardly care. 82% of the companies do not have any recruitment or integration programs for risk groups such as older workers 60+, partial D&I recipients or women after longer maternity leave. Personnel development also focuses on high performers and high potential employees. Targeted support for low-performing employees is provided by only 18% of companies. In 46% of companies, support is provided in individual and exceptional cases but not at all in 36% of them.

2) HEALTHCARE AND PUBLIC ADMINISTRATION ARE PART-TIME CHAMPIONS

Across the country, a strong trend towards more part-time work is being noticed. The study concludes that a large majority still works full-time and that we are still far from a part-time society (23.9% part-time workers). However, there are big differences between industries. By far most part-time jobs are found in healthcare (38.7% part-time workers) and in public administration (38.4% part-time workers). The industry sector comes last with only 12.9% part-time workers.

3) STRESS LOAD & PRESSURE AS THE "NEW NORM"

Despite the part-time trend, stress levels are on the rise. On average, 28% of employees are permanently overloaded. In 34% of companies, more than a third of employees are in the „red zone“ and under stress. From an industry perspective, pharmaceuticals, gastronomy, healthcare, and retail are the leaders in the stress barometer. The figures for burnout are also worrying. For example, in 45% of companies, more than 10% of employees show concrete signs of burnout. How are employers dealing with this? Only 37% of employers specifically address stress management and overload among employees. It is not a priority for almost two-thirds of companies, even though the indicators are alarming.

4) QUANTITATIVE GROWTH DOES NOT MAKE US BETTER NOR HAPPIER

For 67% of respondents, quantitative growth, such as employee, sales, and profit growth does not have a positive impact on working conditions and employee satisfaction. This is a clear rejection of shareholder value thinking. That's why 37% of companies pursue a targeted and explicit strategy of qualitative growth (i.e. an economic growth that takes into account social and environmental factors).

5) WHEN TALENT OPTIMISES AND REDUCES LABOUR PRODUCTIVITY

It is generally undisputed that employees today expect better conditions and more privileges because of their market power. But only 23% of respondents say that higher demands are accompanied by a higher willingness to perform. 36% even believe that the latter is lower despite higher demands. This is not compensated for by quality or efficiency either, as 72% state that performance is the same or even lower despite higher demands. This calculation cannot possibly work out. The work productivity comes compellingly under pressure. The high demands come to a large extent from the younger generation (63%) and only to a lesser extent from older generations (19%). And the motivation is not primarily salary equity (22%) or fairness (17%), but rather pure self-interest and maximizing individual benefits (61%).

6) SECTOR CULTURE BIAS IN SWITZERLAND - UNWORTHY OF AN INNOVATIVE NATIONAL ECONOMY

It sounds like a flagrant contradiction: although 71% of respondents see an urgent need for action in the industry-focused recruiting behaviour of companies, the same cohort believes that applicants from within the industry generate more value for the company in the short term (74%) and even in the long term (61%) than lateral hires. The same contradictory picture emerges when we take a closer look at company behaviour. A lot of money is spent on promoting innovation and diversity. At the same time, 67% of employers require industry experience (as a must-have criterion) when recruiting, and only 32% of companies have targeted measures in place to recruit and train career changers. The sector culture bias is strongly embedded in Switzerland.

7) STRIVING FOR PURPOSE DOES NOT ONLY COME FROM GEN Z - BUT IT IS ALSO A SOCIETY PHENOMENON

GenZ is also often seen as the "Purpose Generation". 56% of respondents associate the Purpose desire with GenZ. That's a relatively slim majority. 44% see the phenomenon more as a general social trend that does not simply represent the current climate but is more likely to last longer (71%). For the majority, however, this trend does not come from an ethical, altruistic or sustainability viewpoint, but is clearly driven by strong individualisation and the desire for self-realisation.

8) ENTREPRENEURIAL MINDSET IS INDEPENDENT OF GENERATION AND AGE

Although the Swiss mentality is perhaps less prone to entrepreneurial thinking and action, 43% of respondents still perceive quite a lot of entrepreneurial energy in their environment. And although one finds many passionate young people in the start-up scene, for a clear majority of 73%, entrepreneurship is not a question of age or generation, but much more a question of personality.

9) THERE IS MUCH TO BE SAID FOR IT, BUT MANY ARE AGAINST IT - WORKING LONGER HAS LITTLE APPEAL

It's an obvious reality that people are starting to work later, living longer and healthier in old age. The logical consequence would be that people should work beyond 65. However, the survey clearly shows that despite demands and assurances from the scientific community, politicians and employer representatives, there is not yet enough awareness of this. Currently, only 44% of respondents think it is the right course of action. Despite demographic aging and a shortage of skilled workers, only 25% of companies currently have concrete efforts or programs for continued employment beyond retirement age.

10) AGE DISADVANTAGE ON THE LABOUR MARKET IS A REALITY

At what age do the disadvantages in finding a job begin? A majority of 56% see the difficulties starting at age 50, another 27% not until age 60. Only 18% see no age-related disadvantage at all. The picture is similar for internal promotions. However, the threshold is somewhat higher. Only 40% of respondents see it at 50. A further 29% see the difficulties there only from the age of 60. This clearly shows that despite the pressure on the labour market, employers find it difficult to rely on older workers. In a sector comparison, the catering/hotel industry, banks and insurance companies, and the consumer goods sector fare the worst.

2. STUDY

2.1 RESEARCH DESIGN

The study was structured as follows:

- **Formulation of hypotheses;** hypotheses were formed based on a qualitative approach: Expert opinions (derived from a thorough literature review) and a focus group with von Rundstedt experts and labour market experts.
- **Hypothesis validation: t**hrough the launch of a quantitative questionnaire to a statistical population of HR managers and executives identified through the *convenience sampling*[1] technique.
- **Final report:** the results of the quantitative research were included in this final report summarizing the main findings of the survey.

2.2 INTERVIEWS

The figures from SECO and the Office of Statistics say little about the real conditions in the labour market. They merely consolidate data. It therefore seems important to us to work with the concrete observations and experiences of all market participants and to highlight the main findings. To identify and formulate the most important current inconsistencies, we deliberately sought the opinions of various employees, employers, entrepreneurs, recruiters and other institutions in the labour market. Through many conversations and interviews, we asked about the dilemmas, contradictions, and market failures in the labour market. From this, we derived eight phenomena and formulated critical questions about them, which are examined and explored in more detail in this study.

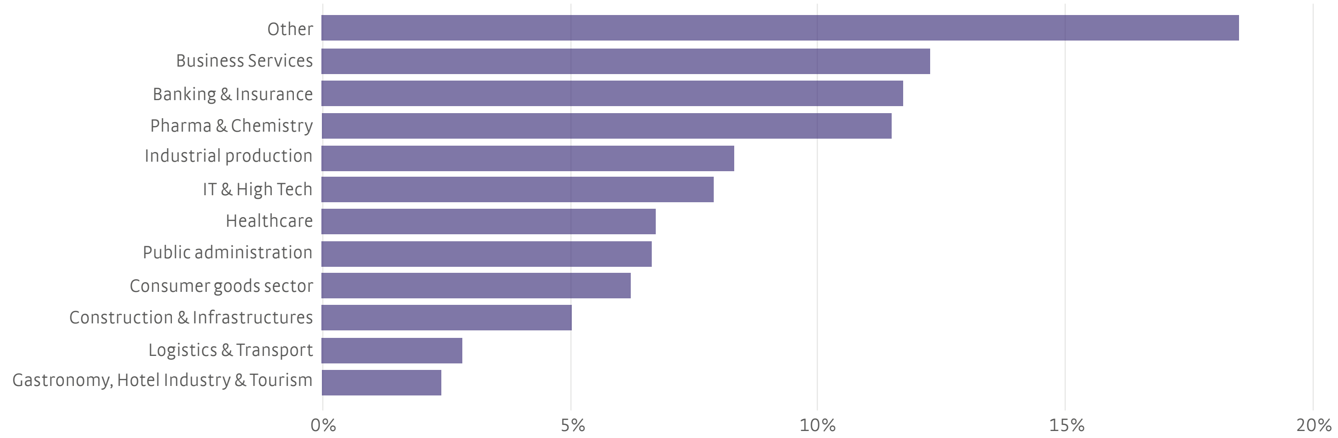
2.3 SURVEY

Together with HR TODAY, von Rundstedt has already been conducting market research and surveys on various HR and labour market-related topics for six years. (see http://research.hrtoday.ch)

This year, a total of 1,907 HR managers and executives from a wide range of industries and sectors participated in the survey. The participants cover all of Switzerland and the country's three language regions.

[1] *Convenience Sampling is a research method, in which the data are collected from a readily available pool of respondents. It is the most commonly used sampling technique as it is quick, simple and inexpensive.*

Distribution of respondents by industry sectors



DISTRIBUTION BY LANGUAGE REGION	
German-speaking part	55%
French-speaking part	39%
Ticino (Italian-speaking part)	6%

DISTRIBUTION BY COMPANY SIZE	
Large (>500)	45%
Medium (51-500)	29%
Small (1-50)	26%

DISTRIBUTION BY FUNCTION	
Managers	45%
Specialists	26%
HR	20%
Self-employed	9%

The information collected is divided into the following sections:

- Data on participating managers and companies
- Questions about the eight contradictions:
  (1) Polarisation between winners and losers.
  (2) Less incentive to work and more burnouts
  (3) Never-ending growth spiral
  (4) Skills shortages and productivity
  (5) Sector culture bias
  (6) Purpose and individualism
  (7) The new generation of entrepreneurs
  (8) The age dilemma
- Additional observations of the participants (free text)

3. OVERVIEW OF THE EIGHT CONTRADICTIONS AND HYPOTHESES

POLARISATION OF WINNERS AND LOSERS

Parallels between the shortage of skilled workers and structural unemployment

LESS INCENTIVE TO WORK AND MORE BURNOUTS

More people are working less, and fewer people are working more

NEVER-ENDING GROWTH SPIRAL

Growth - Shortage of skilled labour - Labour immigration - Growth...

THE PRODUCTIVITY DILEMMA IN THE FACE OF SKILL SHORTAGES

More requirements for less commitment - or how productivity is going down the drain

SECTOR CULTURE BIAS

Digital transformation needs mobility. However, the prevailing sector culture is a barrier

PURPOSE AND INDIVIDUALITY

Purpose sounds good, but self-realisation is even better

THE NEW GENERATION OF ENTREPRENEURS

Entrepreneurship is hype. Let's sell it as fast and as well as possible

THE AGE DILEMMA

Skilled labour shortages - the old will fix it. But no one wants them

POLARISATION OF WINNERS AND LOSERS

Parallels between the shortage of skilled workers and structural unemployment.

Some are in great demand. Others can't find a job. Even in times of economic boom, when everyone is talking about a shortage of skilled workers, when even catch-all industries such as gastronomy or logistics are experiencing recruitment problems, there are solid and well-trained workers who fall by the wayside. While some are increasing their bargaining power and exploiting it vis-à-vis the employer, others do not know what is happening to them. Employability can no longer be limited to industry and functionality. It is a matter of riding the right wave and demonstrating the appropriate requirements. But these are constantly changing, dynamic and hardly predictable. How do I belong to the winners? What do I do if I suddenly find myself in the losers' group?

LESS INCENTIVE TO WORK AND MORE BURNOUTS

More people are working less, and fewer people are working more.

More and more people no longer want to work full time. The high real wages in Switzerland make it possible for many people to maintain their quality of life even with a 60-80 percent workload. That is why part-time work is booming. Values other than work and professional recognition are gaining in importance. Self-fulfillment is now viewed much more broadly than career success. Many also supplement their employment with activities that they associate with pleasure and passion. However, this reduction in productive work output is exacerbating the shortage of skilled workers and increasing the pressure on other workers. This leads to overload situations for more and more managers and key personnel. The number of people affected by burnout and exhaustion depression is also increasing because of this. This leads to the absurd situation of overemployment and underemployment at the same time. The self-fulfillment of some people thus takes place at the expense of others.

NEVER-ENDING GROWTH SPIRAL

Growth leads to a shortage of skilled labour which leads to labour immigration which leads to growth and so on.

Switzerland is growing and growing. At the same time, the question increasingly arises as to what extent quantitative growth actually means qualitative growth. The same mind game exists in the labour market. Economic growth is mainly driven by population growth. This is based primarily on labour immigration, which is economically needed, politically promoted and socially tolerated due to the shortage of skilled workers. Or vice versa: Growth requires more value creation, i.e. more labour. This pressure is compensated by labour immigration, which further fuels economic growth. An endless cycle without a safety valve. If Mr. and Mrs. Swiss have less and less incentive to work, this means, in view of the productivity dilemma, that more and more productivity in Switzerland will be provided by foreigners.

THE PRODUCTIVITY DILEMMA IN THE FACE OF SKILL SHORTAGES

More requirements for less commitment - or how productivity in Switzerland is going down the drain.

Those who are in demand should be demanding and not sell themselves short. Regardless of whether it's a question of salary, flexibility, freedom, responsibility or fun: It is maximised. Work efficiency has a new meaning in the new labour market: as much yield for as little effort and commitment as possible. Workers' demands and requirements are increasing, while their commitment and willingness to perform are decreasing. Labour productivity, the key factor of Swiss competitiveness, is thus carelessly put at risk. We all pay the bill at some point, including the celebrated skilled workers.

SECTOR CULTURE BIAS

Digital transformation needs flexibility and mobility. However, the prevailing sector culture is a barrier.

Sooner or later, digital transformation will lead to profound structural change in all industries and sectors. The dynamics of change are constantly increasing in everyday working life. What is today is no longer valid tomorrow. In order to adapt to market conditions, employers are dependent on agility. They therefore require full flexibility and mobility from their employees. Employment models are also becoming more flexible. Only one fortress remains unshaken: sector specialisation. Despite a shortage of skilled workers and economic pressure, industry experience is still a predominant factor and a must-have criterion in recruiting. A contradiction that can quickly become an obstacle for digital transformation where cross-sector innovation is necessary.

PURPOSE AND INDIVIDUALITY

Purpose sounds good, but self-realisation is even better.

Many are looking for a higher purpose in work. Earning money and securing livelihoods are no longer the main purpose of work in the welfare and self-fulfilment society. People want to do good. In an oasis of well-being and security, thinking about purpose is easy and risk-free. As long as the purpose does not lead to one's own losses, renunciation or sacrifices, it is not a big commitment. But do do-gooders stick to purpose even if they have to forego self-fulfillment? The fact is that the purpose argument is used today primarily by the *"snowflake" generation*[2], which stands out with a selfish, individualistic and utilitarian behaviour. Talk and behavior diverge on closer inspection. A clear case for the existentialists.

[2] *Also called millennials.*

THE NEW GENERATION OF ENTREPRENEURS

Entrepreneurship is hype. Let's sell it as fast and as well as possible.

Switzerland is an Eldorado for innovation and start-ups: a knowledge and education stronghold with great availability of capital, a good legal framework, an attractive place to live and work. In simple terms, entrepreneurship means the creation of economic value. This has long been associated with risk, responsibility, and sustainability. Well-known and great entrepreneurs such as Bührle, Hilti, Schmidheini, Pieper, Jacobs and others have created sustainable value over generations and have continuously borne responsibility. Today, entrepreneurship is obviously understood differently. The focus is on two aspects: On the one hand, it is about innovation and self-realisation. It is important for founders to put something of their own into the world, to contribute to improving the world, to put themselves in the limelight. On the other hand, it is about earning money. An ambitious business plan is geared towards either bringing the venture to the stock exchange as quickly as possible (IPO) or selling it as well as possible to a larger company. Many founders are therefore primarily concerned with personal staging, realisation and the Silicon Valley dream. Schumpeter would turn over in his grave. This no longer has much to do with sustainable entrepreneurship.

THE AGE DILEMMA

Skilled labour shortages - the old will fix it. But no one wants them.

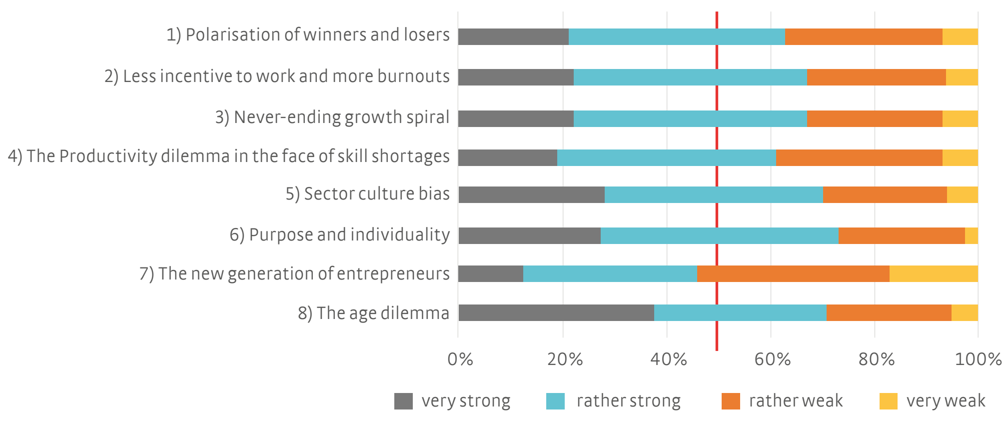
The demographic spectre has been haunting us for a long time. We are running out of manpower. That's why many business representatives are calling on politicians to raise the retirement age or, even better, make it more flexible. To this end, companies are promoting occupational health management. The elderly should work as long as they can to fill the gap. That all sounds reasonable. But the reality is completely different. For example, data and personal experience reports show that workers as young as 55 are at a disadvantage. They often struggle to find new employment because companies are cautious and reluctant to recruit older workers. We can only speculate about the reasons. In a nutshell: while the continued employment of 65+ is demanded and fueled, in reality 55+ are already disadvantaged or even hindered in employment at the same time.

4. RESULTS OF THE STUDY IN DETAIL

First, let's look at how important these eight contradictions are in reality across all sectors and regions. Two questions are relevant to this:

1) To what extent are the eight phenomena effectively perceived in the real working world?

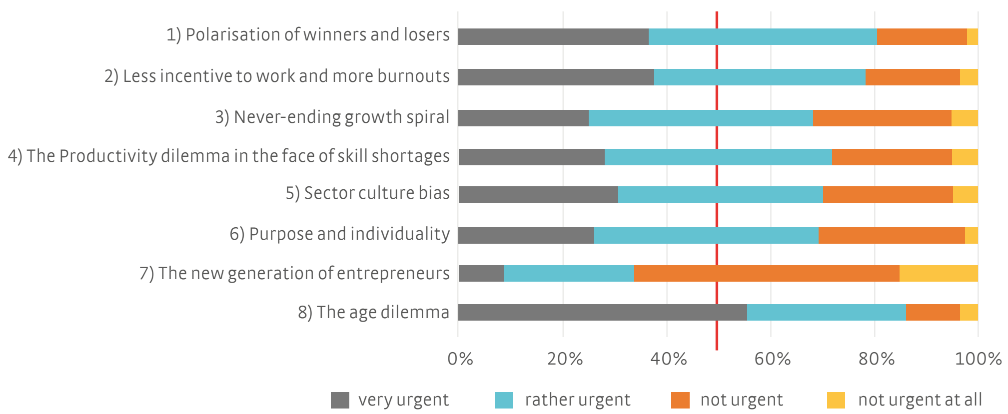
Reality Check



Seven of the eight hypotheses were clearly validated in the survey. They all receive an approval rating of over 60%. Those most strongly perceived are purpose and individualism (73%), the age dilemma (71%) and the sector culture bias (70%). The hypothesis related to the new generation of entrepreneurs is confirmed by only 46% and does not find a majority.

2) How urgent is the need for action to be taken?

Sense of urgency



More than two-thirds of respondents see an urgent need for action to counter some of the issues highlighted previously. The front-runners with the highest values are the following categories: the age dilemma (87%), the polarisation of winners and losers (82%) and less incentive to work and more burnouts (79%). This is not surprising, since all three phenomena are directly associated with employee health and well-being. This speaks for the sense of social responsibility and solidarity we have in our society.

When it comes to the new generation of entrepreneurs, the outcome is different: indeed the hypothesis based on which the new generation creates businesses quickly and sell it even faster is validated, however only 34% of respondents think it is necessary to take action

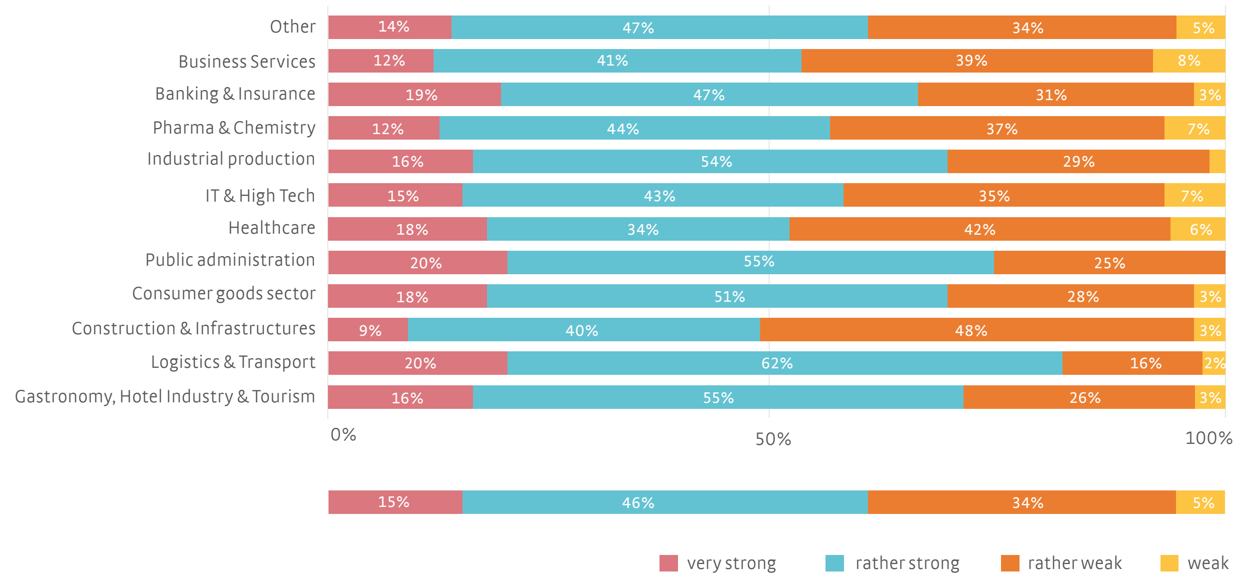
We will now go into detail about the individual contradictions.

4.1 POLARISATION OF WINNERS AND LOSERS

Although the labour market currently looks good for employees, the increasing polarisation of winners and losers is obvious. A clear majority of 63% of respondents confirm this phenomenon and as many as 82% see a need for action.

When asked about the employability of workers within their own companies, the polarisation becomes clearer even among those currently employed (all job holders). The assessment of their employability differs greatly among 61% of the companies. The polarisation is most noticeable in logistics (82%), in public administration (75%) and in the gastronomy, hotel business and tourism industry (71%).

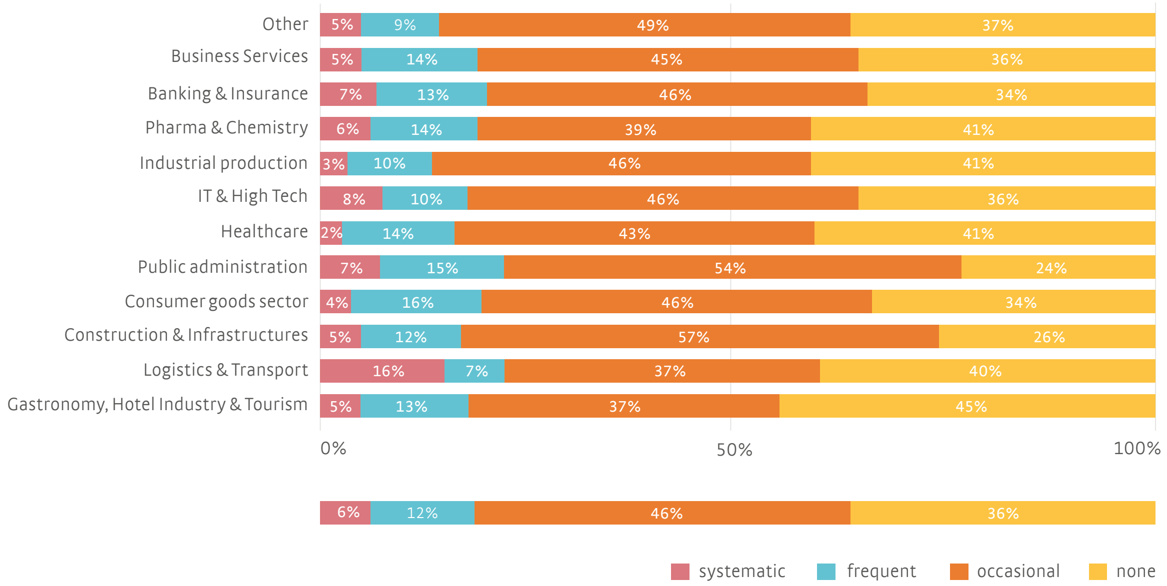
Perception of polarisation between winners and losers



When it comes to supporting the losers and concrete measures taken by employers, the picture is sobering. A minority of companies are developing concrete measures to reduce this polarisation. Instead, companies concentrate on the high performers and try to attract them with targeted development programmes. From a business perspective, this is also legitimate.

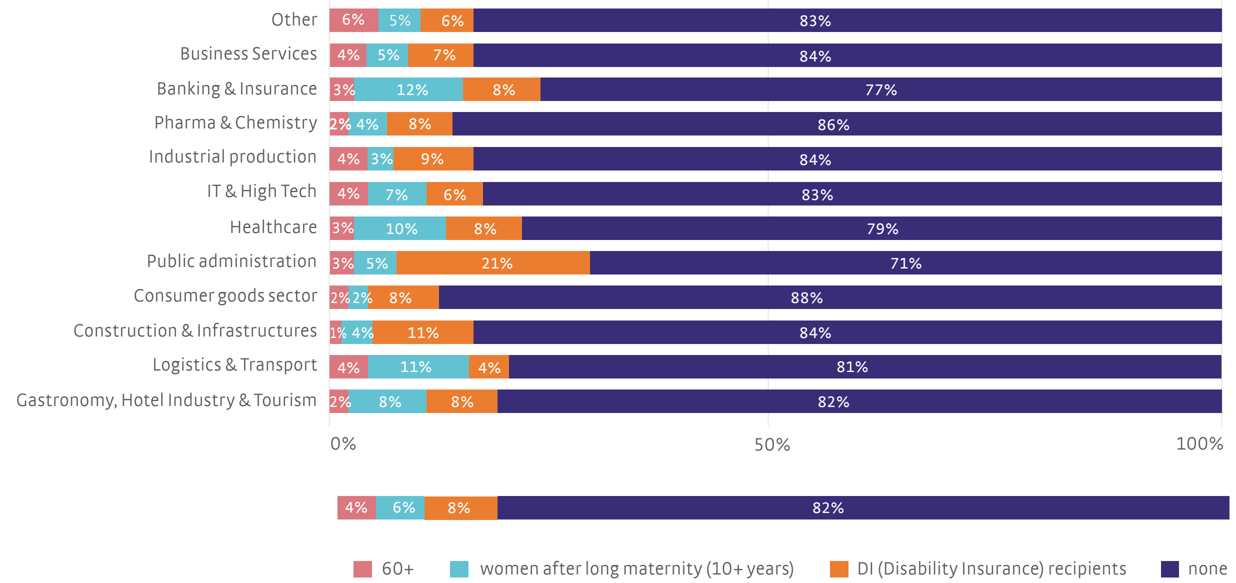
Only 18% of employers know of concrete measures and actions to promote low-performing employees. Public administration comes out best, with 22% providing systematic or frequent support and 54% providing support on a case-by-case basis.

Frequency of support for low-performing employees



The picture is even bleaker on the open labour market, where the three risk groups 60+, women after long parental leave (10+ years) and DI (Disability Insurance) recipients are hardly considered despite the shortage of skilled workers. 82% of the companies do not seem to be interested in these categories of labour, at least no measures or actions are available. A comparison of sectors shows that there are positive outliers in individual sectors. For example, DI recipients in public administration have the best chances (21%). Mothers after a long parental leave are better off in banking and insurance (12%), logistics (11%) and healthcare (10%). For older employees 60+, things are not favourable in any sector.

Companies with special recruitment and integration programmes for the risk group labour

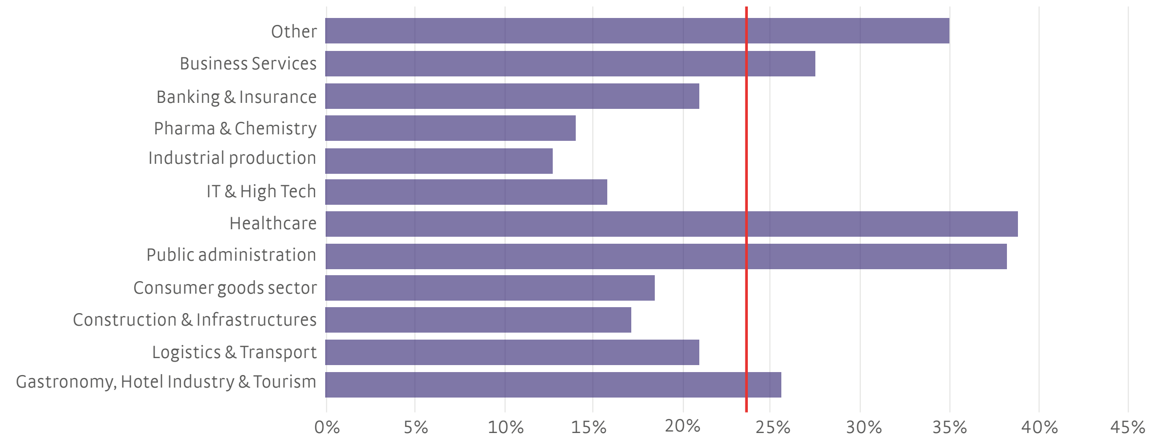


4.2 LESS INCENTIVE TO WORK AND MORE BURNOUTS

The polarisation between part-time workers and workaholics is confirmed as a clear and relevant phenomenon. A large majority of 67% feel this contradiction in their own professional environment and 79% of respondents see a clear need for action here.

According to the survey, the proportion of part-time workers across all sectors is 23.9%. At first glance, this seems relatively low, especially since there is more and more talk of a part-time society in Switzerland. This may be due to the fact that many part-time jobs are not perceived as such to the outside world. However, the proportion varies considerably depending on the sector. We find the two highest values in the health sector (38.67%) and in public administration. At the lower end, we find industrial production (12.9%), pharmaceuticals & chemistry (14.54%) and IT & high tech (15.38%) with the lowest part-time values.

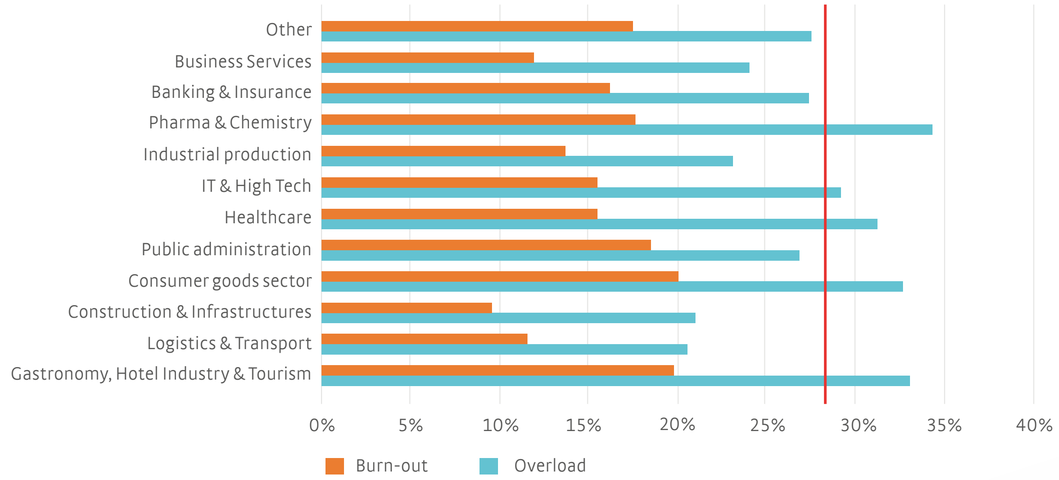
Part-time workers



What does the stress situation look like for those workers who work particularly hard or who are under a lot of pressure? The signs are stress and chronic overload. In 53% of companies, more than 20% of employees show signs of stress and overload, in 34% of companies it is more than one third of the employees and in 18% of companies it is even more than half of the workforce.

In addition, there is a considerable proportion of employees who are already no longer fully productive because they show concrete symptoms of burnout or resignation. In 45% of companies this is over 10% of employees, and in 15% of companies, even over a third of the employees. These are alarming values. Thus, on average across sectors, 28% of employees are stressed and overworked. Here, too, the figures vary greatly depending on the sector, as the overview of the median values below shows.

Stress at work: burn-out and overload rates



In a sector comparison, pharmaceuticals & chemistry (34.25%), gastronomy (32.88%), consumer goods (32.66%) and healthcare (31.23%) are the top performers. The lowest levels of overload and stress are in construction (20.68%) and logistics (20.62%). The values for burnout and resignation are relatively like these values. As a rule, they are about half of the stress values. However, one sector stands out as an exception. In public administration we see a relatively high value for burnout and resignation (18.36%). Although the stress and strain situation are below the overall average, burnout and resignation reach a peak value here. A connection with the cultural environment in public administration should be examined here. Obviously, stress here leads much more quickly to unproductive situations of burnout and resignation.

With such high stress levels, one would expect employers to have developed some level of awareness and to address stress and overload with concrete measures. Unfortunately, this does not seem to be the case with the majority of employers. In only 9% of the companies is stress reduction a high priority. In 28% of companies, it is taken care of. Conversely, this means that 63% of employers do not take the problem of stress seriously and do not tackle it specifically.

When there are signs of burnout or resignation, employers often do not react adequately. While 22% of the companies do not react at all, 41% of them react too late. Only 37% take care of employees at risk immediately or quickly.

4.3 NEVER-ENDING GROWTH SPIRAL

Our system is designed for growth. The acceleration of quantitative growth without noticeable progress in the quality of life and work is a phenomenon that was also clearly confirmed in the survey. 67% of respondents see this one-sided pursuit of „more“ rather than „better“ in their employer. More than two thirds (69%) would like to see a better balance and see an urgent need for action here.

First, there is the fundamental question of whether quantitative growth, i.e. the focus on increasing the number of employees, turnover, profit and other growth factors, also has a positive effect on the quality of work and life and whether this is noticeable for the individual. For 62% of respondents, this is not the case. For 67% of them, quantitative growth does not increase satisfaction either.

Impact of quantitative growth

	CLEAR YES	TENDING YES	TENDING NO	CLEAR NO
More quality of work/life through growth	7%	32%	45%	17%
More satisfaction through growth	5%	28%	48%	19%
Quality strategy as an alternative	8%	29%	38%	26%

This situation can quickly lead to dissatisfaction and frustration. The pressure and workload are constantly increasing for many (see 4.2), without them gaining in quality of life as a result. This leads to the fact that quantitative growth thinking is also being questioned in other areas and has also landed on the political agenda. Obviously, some companies are already further ahead and consciously and explicitly choosing a more quality focused strategy. According to the survey, 37% of companies are already predominantly pursuing qualitative development goals, as these promise more sustainability and satisfaction. The study cannot show to what extent these are not just fine words and greenwashing.

4.4 THE PRODUCTIVITY DILEMMA IN THE FACE OF SKILLS SHORTAGES

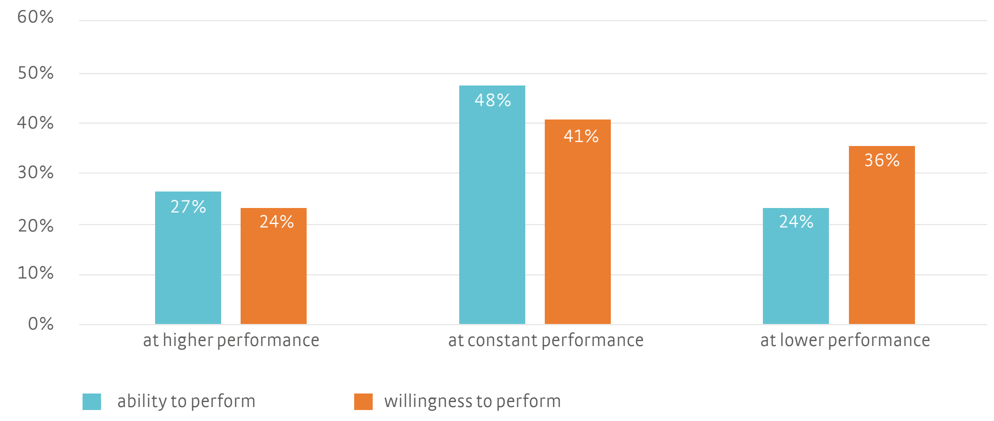
Employees' demands increase, while their commitment and willingness to perform decrease. An employer pays more than in the past, but ultimately gets less in return. A majority of 61% have already sensed this phenomenon in their company, and 72% of those surveyed believe that action is needed.

Employee expectations have undeniably risen in recent years. But it's not just the balance of power resulting from the shortage of skilled workers that's to blame. Societal trends and the quest for greater prosperity are also part of the equation. To better understand the impact of increasing demands on productivity and performance, we distinguished between 2 elements: the ability to perform (intrinsically linked to skills) and the willingness to perform (intrinsically linked to motivation).

The survey clearly shows that employee demands have increased, without any corresponding increase in performance. Employee demands are not matched by an increased willingness to perform (77% of respondents) or a greater ability to perform (72% of respondents).

In a context of increased demands, only 24% of respondents noted an increase in the willingness to perform, while 41% noted a stagnation, and 36% even a decrease. In the same context, 27% observed that the ability to perform increased when employee demands increased, yet 48% noted stagnation, and 24% even a decrease.

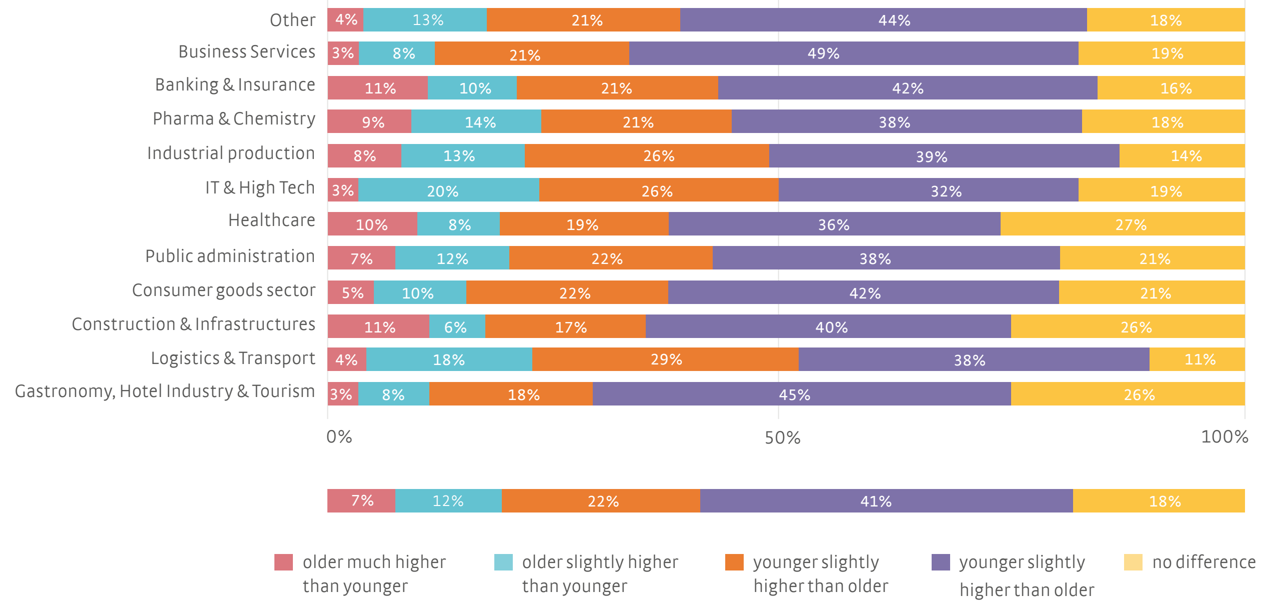
Ability to perform vs. willingness to perform



This is a calculation that ultimately does not add up. Labour productivity is bound to suffer.

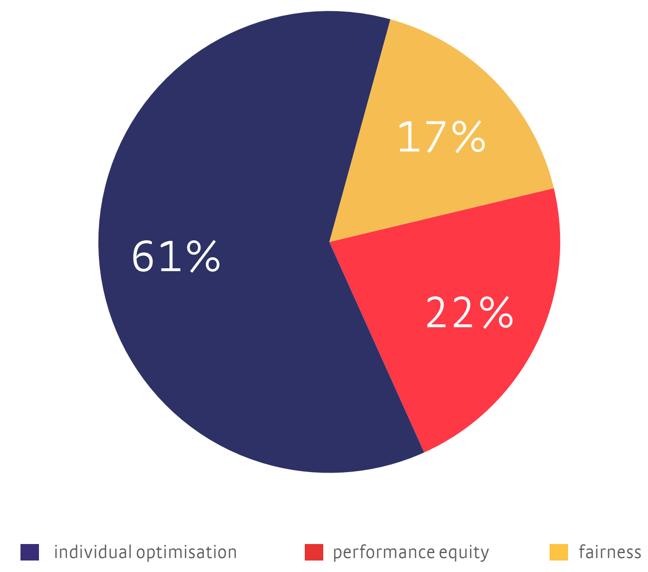
Let us now look at what is driving those demands. The survey shows that it is clearly a generational issue. For a majority of 63% of respondents, younger workers have higher demands than older ones. Only 19% believe that this increasing pressure comes from older workers.

Comparison between the requirements of younger and older employees



The motivation for higher expectations does not come from the need for equity or fairness, but the workers are primarily concerned with the individual optimisation and improvement of their personal situation (61%). So, it's much more about self-fulfillment than moral driving factors.

Motivation for higher demands



4.5 SECTOR CULTURE BIAS

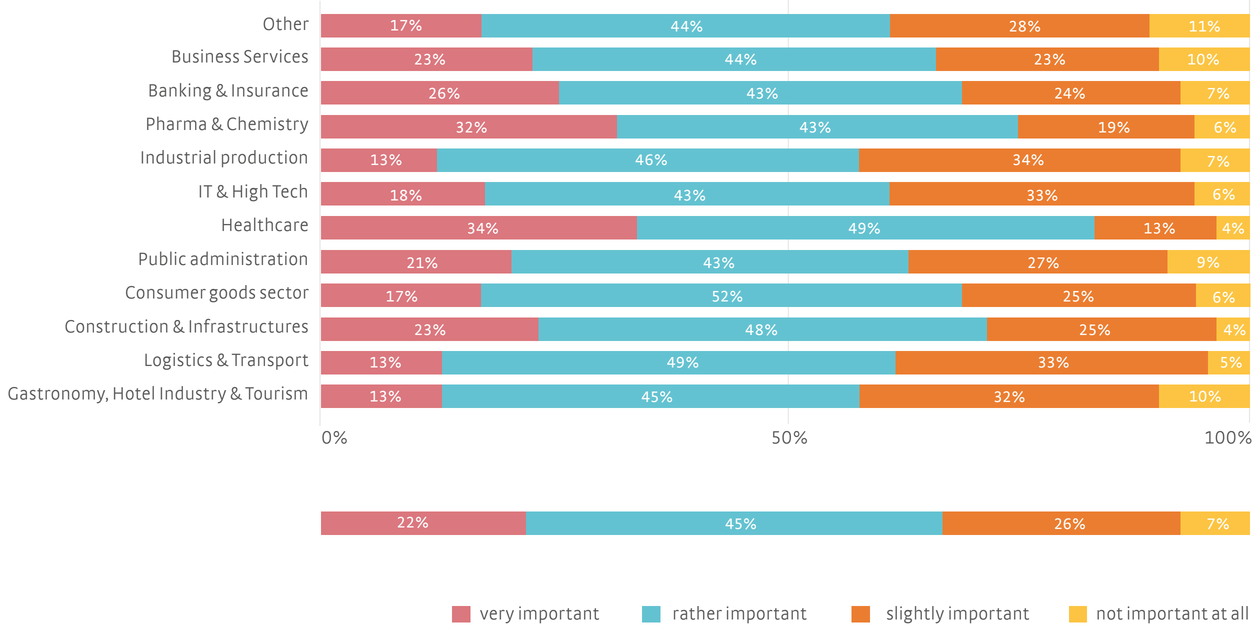
Digital transformation goes hand in hand with agility. Employees are therefore expected to be flexible and mobile. However, employers themselves show little flexibility in recruitment and consistently stick to their industry focus. An applicant must necessarily have extensive industry experience, otherwise he or she is excluded. A majority of 70% in the survey confirms the sector culture bias in the recruitment processes of companies and 71% see an urgent need for change.

This clear statement would suggest that there is general consensus that industry experts may score points over candidates from other sectors in the short term, but in the long term they bring less inspiration and creative value to the company in terms of innovation and development. Ideas and processes are hardly questioned any more without external input from other sectors. Yet when asked about the short-term and long-term added value of industry experts compared to candidates from other sectors, it emerged that a large majority believes that industry experts generate more value for a company in both the short term (74%) and the long term (61%) than industry outsiders. A blatant contradiction!

If we look at the concrete behaviour of employers, a similar picture of the sector culture bias emerges. Despite the regretted shortage of skilled workers, two thirds of companies (67%) officially and explicitly want industry experience and knowledge. And only 32% of companies offer targeted measures for industry training and integration of candidates from other sectors.

The following chart shows that in addition to the pharmaceutical industry (75%), there is also a strong emphasis on industry knowledge in the healthcare sector (83%). This is understandable in the case of doctors, but non-industry candidates would be possible in all other profiles in the hospital environment. Even in the regulated environment of nursing staff, targeted retraining programs (nursing short courses, continuous education for care-givers) are possible.

Importance of experience in the sector

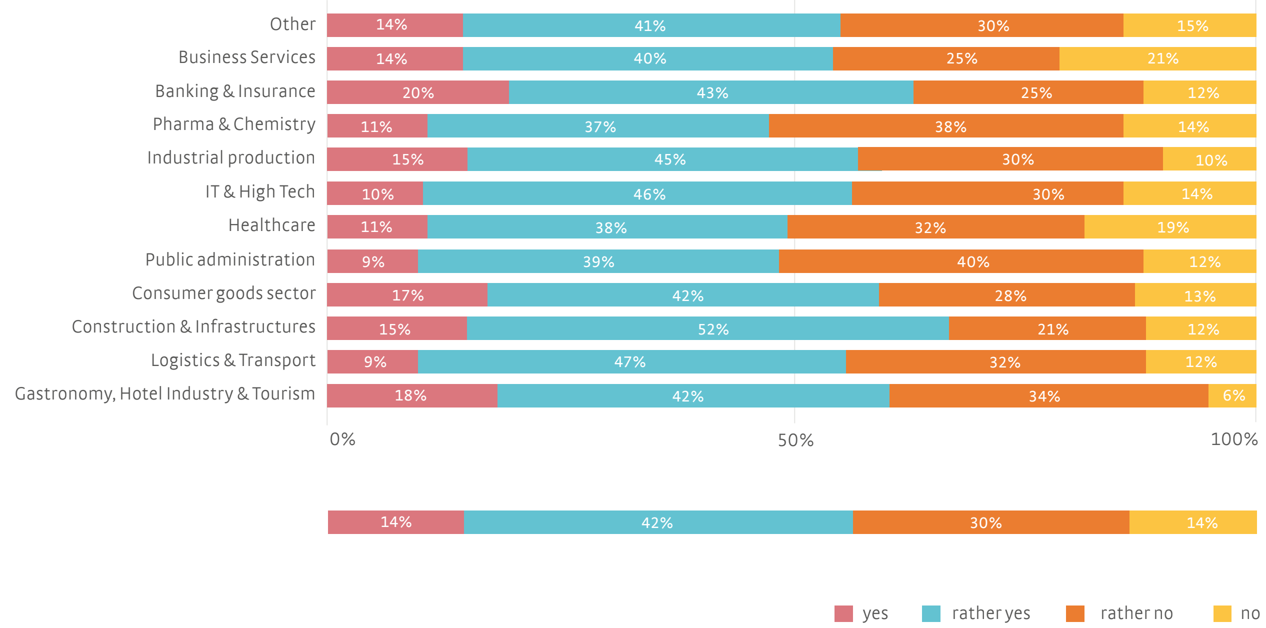


4.6 PURPOSE AND INDIVIDUALITY

Everyone wants purpose, sustainable and meaningful work. At the same time, people are generally behaving more and more individualistically and selfishly. Is the sustainability wave only about self-fulfillment? A clear majority of 73% recognise this supposed contradiction in their work environment and confirm it, with 69% seeing a need for action here.

In discussions, it quickly becomes clear that the young generation Z is seen as the reason for this phenomenon. GenZ is generally seen as simultaneously obsessed with sustainability and individualism. Asked about the source, however, only a narrow majority of 56% in the survey state that this is a GenZ generational phenomenon. Consequently, 44% of the respondents see no age reference in it and rather a social phenomenon.

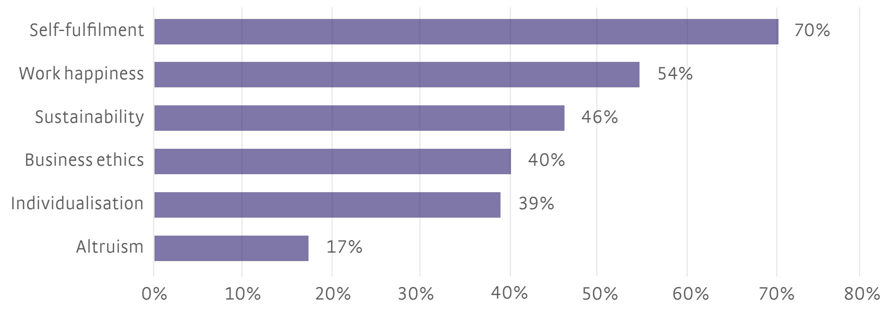
GenZ is the originator of the search for purpse and individualism



Although a slight majority associate this phenomenon with GenZ, a large majority of respondents (71%) believe it is a long-term trend. Only 29% tick it off as a passing trend.

But anyone who thinks that noble motives such as altruism, business ethics or sustainability are behind purposeful thinking is mistaken. When asked (with multiple choice) about motive and motivation, the pragmatic factors such as self-fulfillment (70%) and job satisfaction (54%) are clearly at the top and were given as motives by many respondents. The more ethical factors such as sustainability (46%), business ethics (40%) or altruism (17%) did not find a majority and clearly lag behind.

Motives of Purpose Thinking

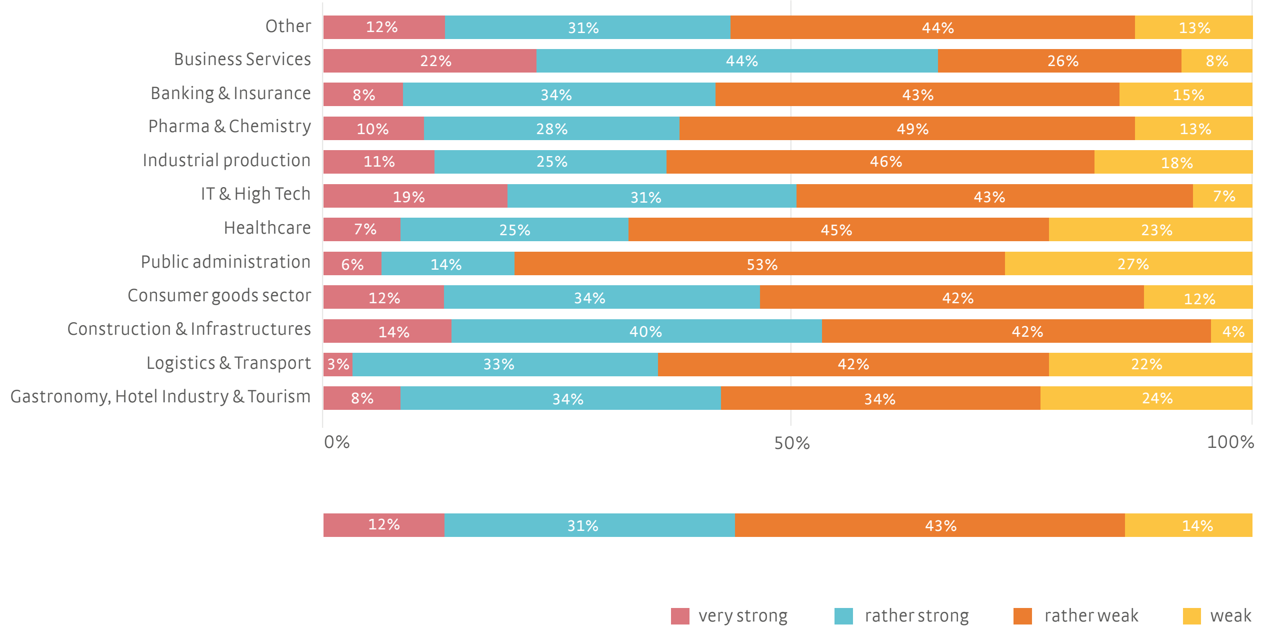


4.7 THE NEW GENERATION OF ENTREPRENEURS

Entrepreneurship is hype in Switzerland. Start-ups are all the rage. Numerous federal and cantonal statistics confirm this. Entrepreneurship means, among other things, responsibility, risk-taking and sustainable value creation. Our hypothesis was that the motivators of start-up entrepreneurs, however, are often individualistic in nature and driven by self-fulfillment, reputation, and the desire for success. This hypothesis was the only one rejected by a majority in this survey. 54% of respondents do not see it this way and have a different experience in their environment. As a result, only a minority of 34% sees a need for action here.

We then wanted to find out to what extent this entrepreneurial spirit depends on age. A relatively large proportion of 43% feel that there is a great deal of entrepreneurial spirit in Switzerland, although we see quite large sector differences here. The top sectors are business services (66%), construction & infrastructures (54%) and IT & high tech (50%). At the bottom of the ranking is, logically, public administration with only 20%.

Correlation between entrepreneurial spirit and age



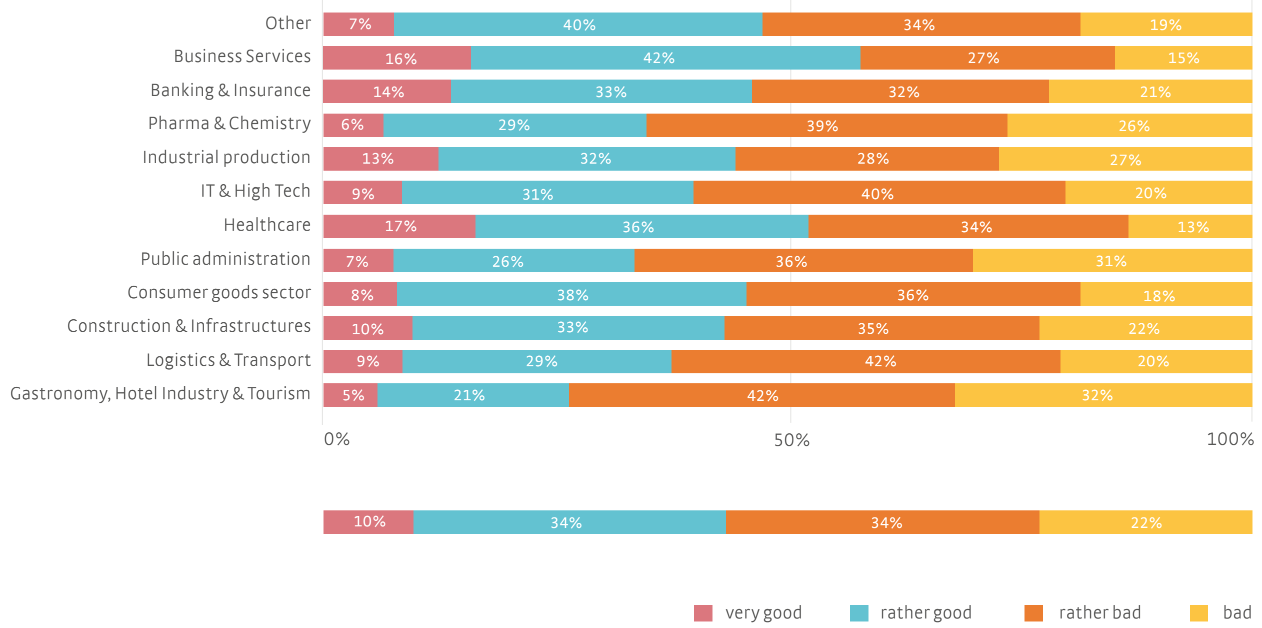
When asked about age correlation, the hypothesis was that younger people are more likely to have the urge to be entrepreneurial. This hypothesis was also rejected. With 73%, a clear majority sees no connection between age and entrepreneurship.

4.8 THE AGE DILEMMA

Demographic change is leading to a shortage of labour and financial bottlenecks for social security and pension funds. The employer associations' position is clear: making the retirement age more flexible and keeping those over 65 in employment should counteract demographic pressure. However, it has been known for a long time that older workers and job seekers already have more difficulty positioning themselves in the labour market from the age of 50. This is an obvious contradiction, which is also experienced and observed by a clear majority of 71%. As a result, the call for corrective measures is high at 87%, and there is an urgent need for action.

First, let's look at whether the concrete solution proposed by employers' representatives meets with approval. Only 44% of respondents are in favour of continued employment after 65 while a majority of 56% are not favourable to it. This is actually a big surprise in the context of the increasing desire for individuality. The possibility to determine retirement age in a flexible and self-determined way is an opportunity for those who consider this option for themselves. Here, too, there are relatively large sector differences. In the business services (58%) and health care (53%) sectors, this concern finds a majority. Not at all in public administration (33%) nor in the hospitality industry (26%).

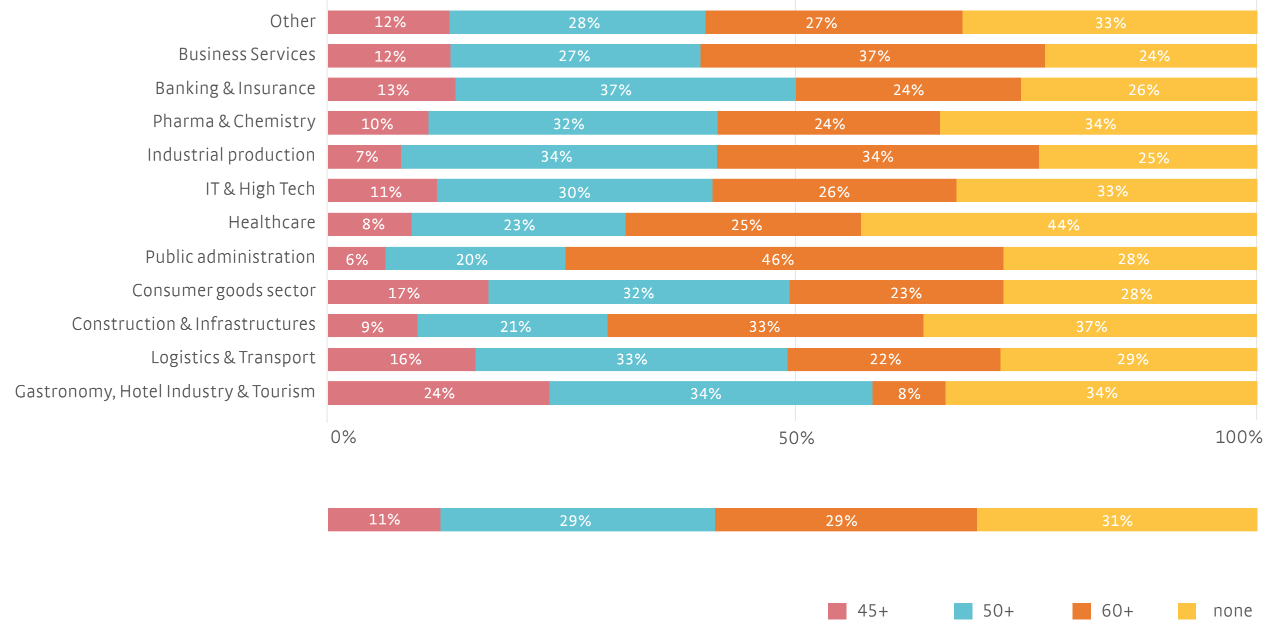
Employment after the age of 65



Even if we look at the reality of companies, there is still no clear willingness among employers - contrary to the recommendation of their associations - to recruit staff above the age of 65. Only 25% of companies are making concrete efforts to offer older workers continued employment beyond retirement age.

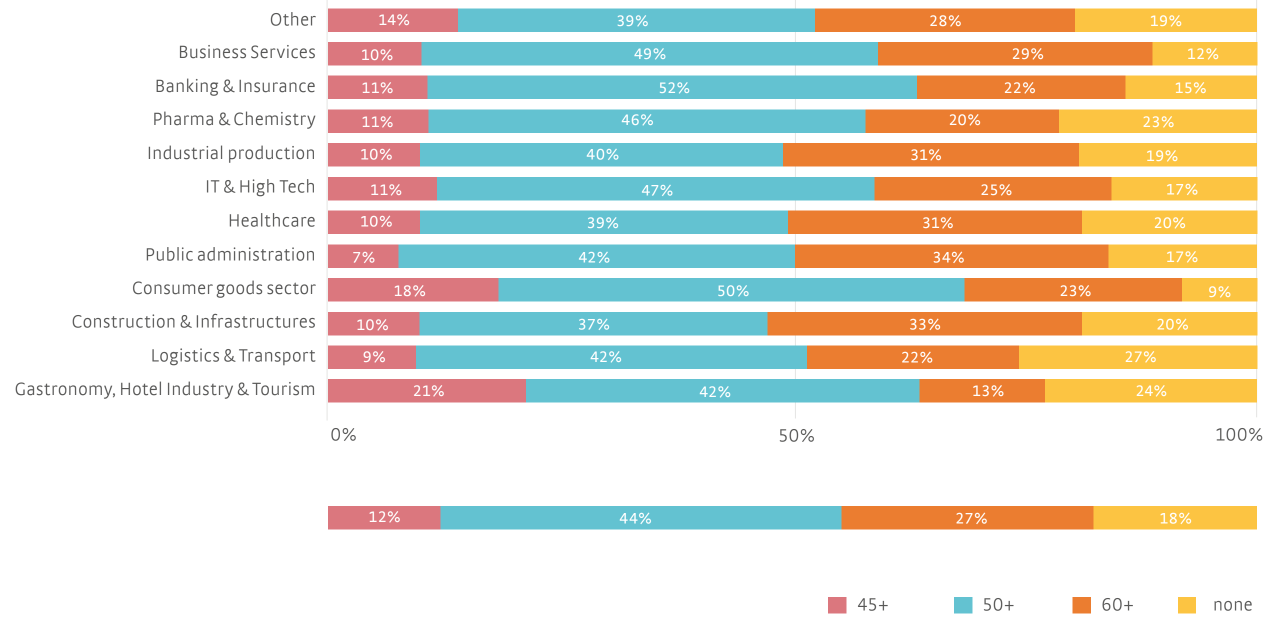
Obviously, employers are still wary of older employees despite the shortage of skilled workers. Therefore, the question of when age becomes a disadvantage for workers in recruitment/job search and internal promotions is an interesting one. For internal promotions, the cut-off age across industries only starts at 57.0 years (median). The sector with the smallest age bias is public administration (median 59.2), the most critical sectors are gastronomy (median 54.7), banking & insurance and consumer goods & retail (median 55.6 each).

Cut-off age for internal promotions



For job seekers, the situation is even worse. In recruitment, the age ceiling across all sectors is 55.3 years (median). There are no clear outliers upwards here; the two most age-friendly sectors are construction & infrastructure and logistics, each with a median of 55.8 years. The most age-critical sectors for recruitment are also consumer goods (median 52.8), banking & insurance (median 53.2) and gastronomy (median 53.9).

Cut-off age for for job seekers

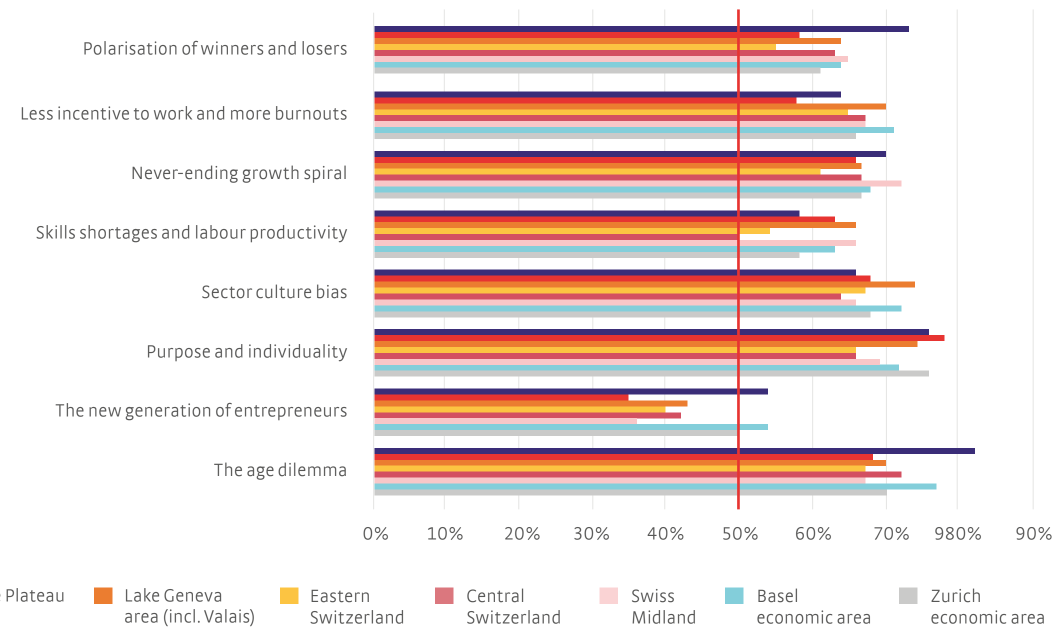


5. REGIONAL DIFFERENCES

5.1 GENERAL REGIONAL ASSESSMENT OF THE EIGHT CONTRADICTIONS

When observing the eight hypotheses and contradictions, the following picture emerges in a regional comparison:

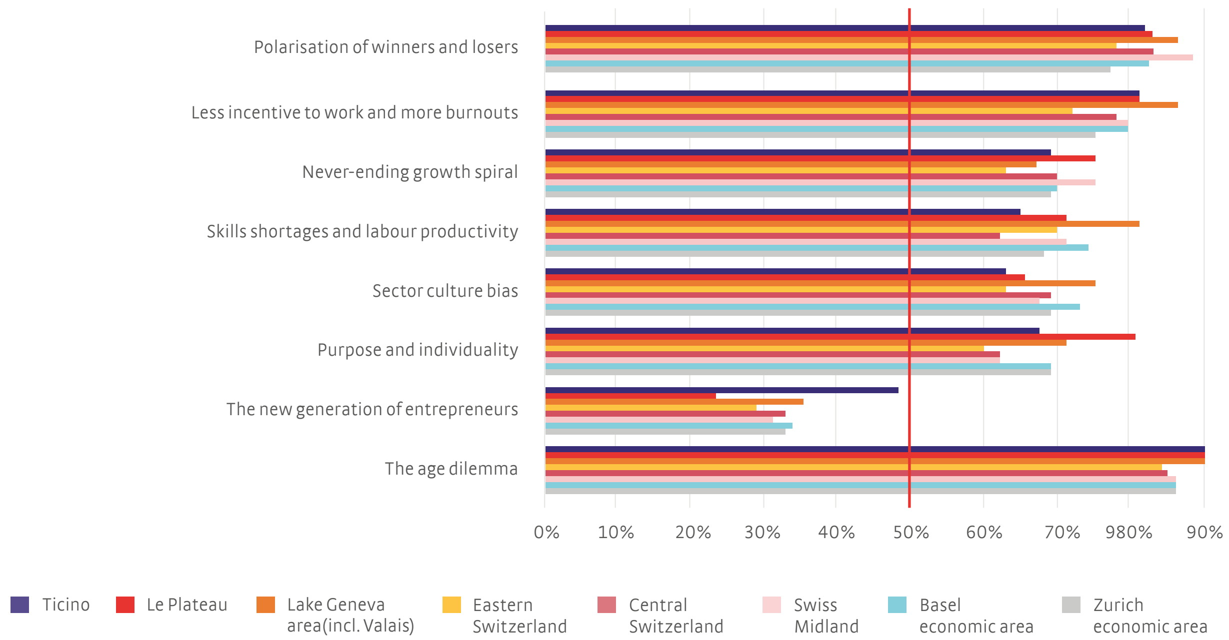
Reality Check: perception of the eight phenomena according to their importance



REALITY CHECK	ZURICH ECONOMIC AREA	BASEL ECONOMIC AREA	SWISS MIDLAND	CENTRAL SWITZER-LAND	EASTERN SWITZER-LAND	LAKE GENEVA AREA	LE PLATEAU	TICINO
Polarisation of winners and losers	61%	64%	65%	63%	55%	64%	58%	73%
Less incentive to work and more burnouts	66%	71%	67%	67%	65%	70%	58%	64%
Never-ending growth spiral	67%	68%	72%	67%	61%	67%	66%	70%
Skills shortages and labour productivity	58%	63%	66%	50%	54%	66%	63%	58%
Sector culture bias	68%	72%	66%	64%	67%	74%	68%	66%
Purpose and Individualism	76%	72%	69%	66%	66%	74%	78%	76%
The new generation of entrepreneurs	50%	54%	36%	42%	40%	43%	35%	54%
The age dilemma	70%	77%	67%	72%	67%	70%	68%	82%
Total (average 64.0%)	64.5%	67.6%	63.5%	61.4%	59.4%	66%	61.8%	67.9%

When it comes to the need for action, the picture is even clearer:

Sense of urgency



SENSE OF URGENCY	ZURICH ECONOMIC AREA	BASEL ECONOMIC AREA	SWISS MIDLAND	CENTRAL SWITZER-LAND	EASTERN SWITZER-LAND	LAKE GENEVA AREA	LE PLATEAU	TICINO
Polarisation of winners and losers	77%	82%	88%	83%	78%	86%	83%	82%
Less incentive to work and more burnouts	75%	80%	80%	78%	72%	86%	81%	81%
Never-ending growth spiral	69%	70%	75%	70%	63%	67%	75%	69%
Skills shortages and labour productivity	68%	74%	71%	62%	70%	81%	71%	65%
Sector culture bias	69%	73%	68%	69%	63%	75%	65%	63%
Purpose and Individualism	69%	69%	62%	62%	60%	71%	81%	67%
The new generation of entrepreneurs	33%	34%	31%	33%	29%	35%	23%	48%
The age dilemma	86%	86%	86%	85%	84%	91%	91%	91%
Total (average 69.8%)	68.3%	71%	70.1%	67.8%	64.9%	74%	71.3%	70.8%

We can see that both in terms of observation and the need for action across the board, the values in the Basel area and in the Lake Geneva region are particularly high. There are no significant differences in the consolidated comparison between the three language areas, i.e the German-speaking part, the French-speaking part, and Ticino. However, it is striking that the eight phenomena are perceived and experienced even more strongly in the large business metropolises and agglomerations of Zurich, Basel and Lake Geneva area than in the more rural regions. But when it comes to the need for action, the peripheral regions are relatively more sensitive and just as committed, with a greater sense of responsibility to take concrete measure against these issues.

The situation is however different in Ticino. This region has the highest value for observation and experience of the 8 phenomena (67.9%), nevertheless the need for action (70.8%) is seen as relatively less urgent despite a strong awareness of the problem.

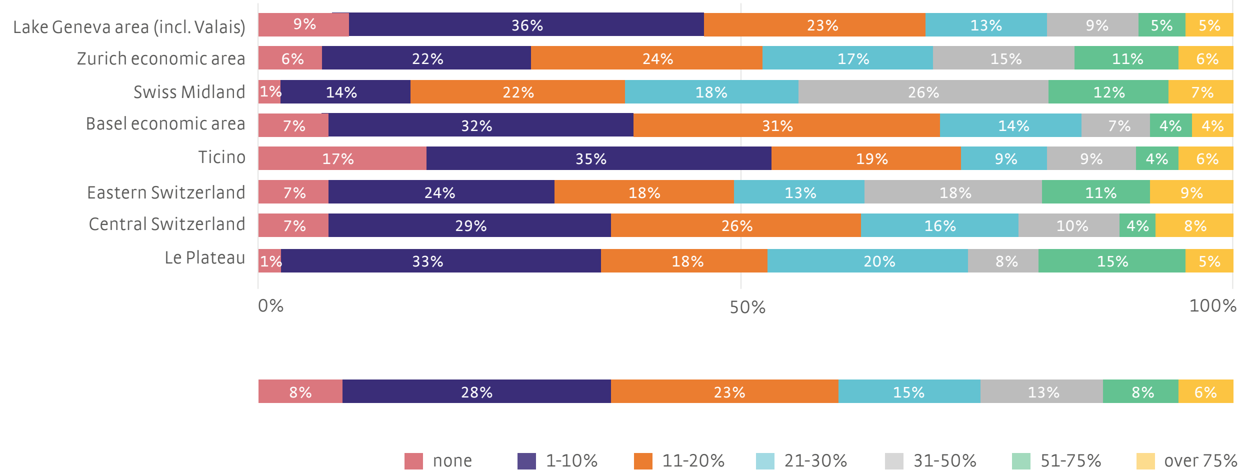
5.2 SPECIFIC DIFFERENCES

For the regional comparison, we have deliberately singled out individual questions and topics where significant differences can be observed.

A) DEALING WITH PART-TIME WORK

In the economic region of Zurich and in more rural areas, far more people work part-time than in the economic centers of Lake Geneva and Basel. In Zurich, for example, more than 20% of employees work part-time in 49% of companies, in the Swiss Midland 63% of companies, in Eastern Switzerland 51%, in rural Romandie (Le Plateau) 48% and in Central Switzerland 38% of the companies. In contrast, this is the case for only 32% of companies in the Lake Geneva region, and for only 29% in Basel. In Ticino, the figure is as low as 28%.

Part-time workers by region

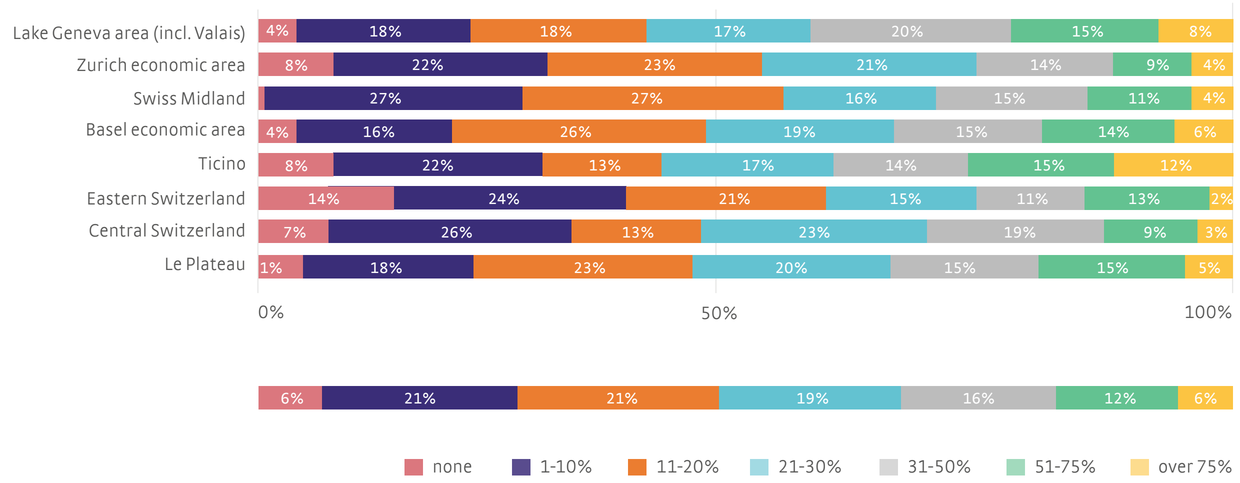


It is therefore not possible to identify any regional trends related to part-time work. Rather the question arises as to which common structural factors in Basel, Lake Geneva and Ticino may be responsible for the lower part-time figures. These are all border regions with a high share of cross-border commuters, who accept a longer commute and are relatively more likely to work full-time than local workers.

B) STRESS AND OVERLOAD

In the economic region of Zürich, more than 20% of employees in 49% of companies suffer from stress and chronic overload. In Eastern Switzerland, this figure is only 41% and in the Swiss Midland only 46% of firms. The values are clearly above 50% in the regions of Lake Geneva (60%), Ticino (58%), rural Romandie (55%), central Switzerland (54%) and Basel (54%).

Stress and overload by region



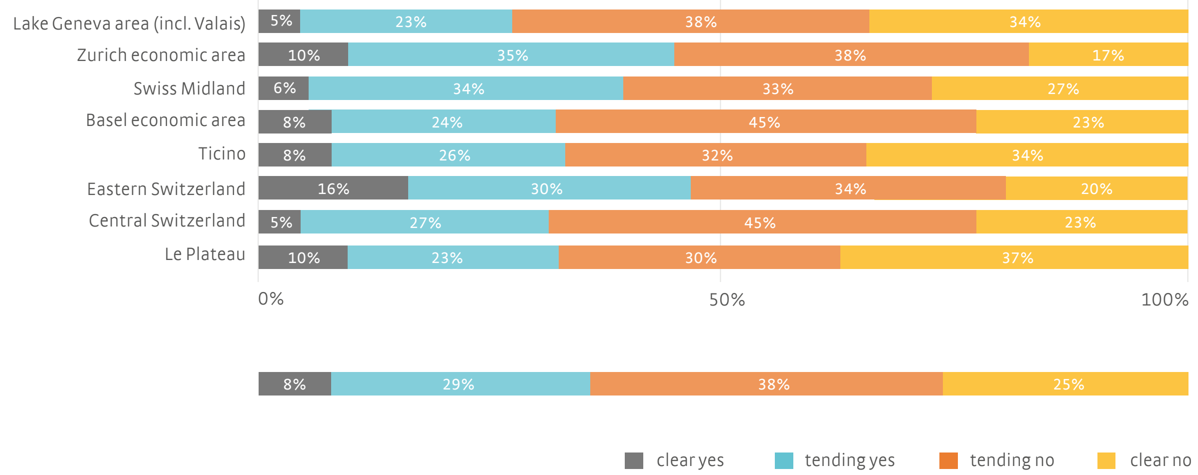
If we compare these values with the findings on part-time work (see A), we can see a negative correlation. Indeed, the regions with the highest part-time values show the lowest stress and overload values. On the other hand, the regions with the lowest part-time propensity show the highest stress scores. This would imply that a stronger part-time work culture leads to a less stressful climate. Where there is less part-time work, there is also more overload and stress.

REGION	>20% PART-TIME	>20% CHRONIC WORK OVERLOAD
Lake Geneva area (incl. Valais)	32%	60%
Zurich economic area	49%	48%
Swiss Midland	63%	46%
Basel economic area	29%	54%
Ticino	28%	58%
Eastern Switzerland	51%	41%
Central Switzerland	38%	54%
Le Plateau	48%	55%

C) QUALITATIVE GROWTH STRATEGY

When asked whether companies explicitly and specifically commit to qualitative growth instead of indulging in the growth spiral, Eastern Switzerland scores the top value with 46% of companies, followed by the economic region of Zurich (45%) and the Central Plateau (40%). In Romandie (French-speaking Switzerland) and Ticino, this value is significantly lower - in the Lake Geneva region 28%, in Le Plateau 33% and in Ticino 34% of companies are on a qualitative growth path. The value is also much lower in Basel, at 32%.

Proportion of companies committed to qualitative growth strategy

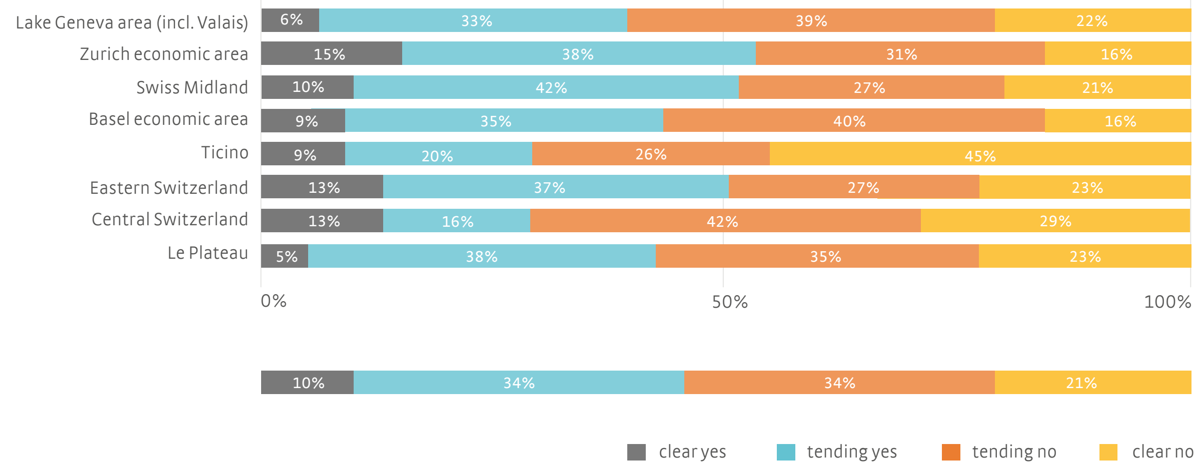


We can therefore identify an initial regional pattern by language region, although German-speaking Switzerland is not consistent as such. However, the values in French-speaking Switzerland and Ticino are clearly lower for the qualitative growth strategy.

D) CONTINUED EMPLOYMENT BEYOND RETIREMENT AGE

The recommendation of employer representatives that the demographic bottleneck should be compensated for by employing staff beyond retirement age is generally still not followed sufficiently. On the fundamental question of whether continued employment is seen as the thing to do, only 44% were favourable nationwide (see age dilemma 4.8). A regional comparison reveals a somewhat more differentiated picture. In Zurich (53%), the Swiss Midland (52%) and eastern Switzerland (50%), people are more likely to agree than in the other regions. In the Lake Geneva region (39%) and the Plateau region (43%), approval is considerably lower. As for Ticino (29%), it shows little concern for this topic.

Proportion of companies that consider continued employment



With the exception of Central Switzerland (29%), this issue generally meets with greater approval in German-speaking Switzerland than in French-speaking Switzerland or Ticino. This can certainly be explained by cultural and socio-political differences between the language regions.

5.3 REGIONAL PATTERNS

A) STRUCTURAL AND REGIONAL PATTERNS

When looking at some questions and topics, we actually find less linguistic regional differences between German-speaking Switzerland, French-speaking Switzerland and Ticino, but rather structural differences. In this regard, we see great similarities in the regions of Lake Geneva and Basel. Both regions are known for being home to many large corporations and employing many cross-border commuters from nearby countries. We also see some similarities in the SME-strong regions of Eastern Switzerland, Central Switzerland, Swiss Midland and Le Plateau. The economic region of Zurich is part of this group too, though it is home to many corporations, the overall picture also shows a strong SME orientation.

As a result, clear structural patterns and differences emerge in this study. Some questions, however, highlight the cultural and linguistic differences between German-speaking Switzerland, the French-speaking part and Ticino.

B) THE SPECIAL CASE OF TICINO

Ticino seems like a special case in this study. It often deviates from the other patterns in its positions and characteristics and is sometimes not easy to classify. A further specific analysis would be interesting here.

6. THE LABOUR MARKET AND VON RUNDSTEDT

von Rundstedt is the leading provider of outplacement and employability services in Switzerland and throughout the DACH region. Through our core competencies in career counseling, professional reorientation, and professional and personal development of specialists and executives, we support talents and companies in times of upheaval and change. Through more than 2,000 outplacement mandates, we have up-to-date labour market data and knowledge at all times. We learn the "how" and the "why" from the companies laying off staff as well as from the employees losing their jobs. From the clients concerned, we learn about the situation on the job market and recruitment practices, what the difficulties are and how best to deal with them. From the recruiting companies where our clients end up, we learn what profiles and what skills are in demand, what is expected from applicants and exactly what the recruitment processes look like. The consolidation of all these real labour market experiences leads to an overall picture about the local labour market. This data complements the statistical and technical data from SECO and other offices statistics to give the whole picture. That's why von Rundstedt invests heavily in market research and conducts studies and surveys like this one together with HR Today.

von Rundstedt supports you with the following services:

- Outplacement
- Career assessment
- Career counseling
- Career assessment and development for employees
- Assessment Center for job applicants
- Developing staff future employability
- Strengthening of future skills in the company
- Establishment of systematic career management in companies
- Development and promotion of internal mobility
- Preparation and support for career changers

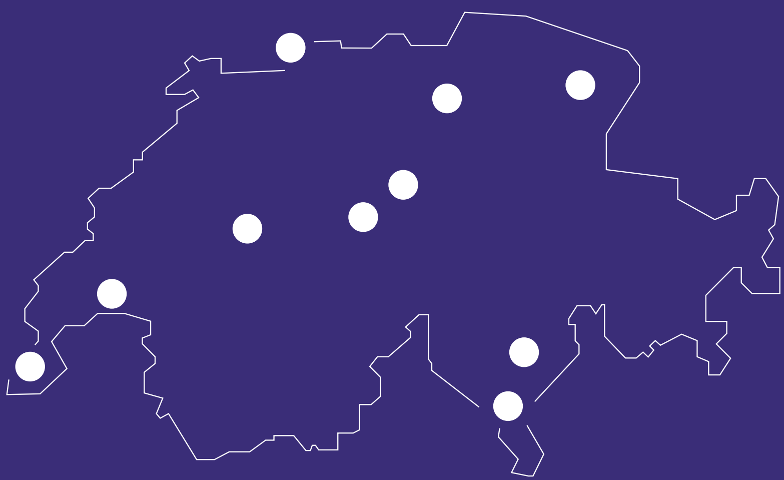
The **von Rundstedt SME Desk** supports small and medium-sized enterprises to further professionalize HR work in companies and to prepare and develop HR for the current and future challenges of a shortage of skilled workers and digital transformation. Our pragmatic HR Check gives our clients a good benchmark of how well they are positioned in the employer market.

More information about our services in career consulting, employability services and the SME Desk can be found on our webpage: www.rundstedt.ch

VON RUNDSTEDT

ABOUT US

The von Rundstedt group has existed in Germany since 1985. In Switzerland, von Rundstedt was founded in 2014 with the aim of transforming the “classic outplacement model” into a concept with a strong market and result orientation. The successful concept consists of a combination of personal counselling, a wide variety of training opportunities, market and networking activities as well as strategic job hunting. We put our heart and soul into our work for you and go the extra mile for you. We are not satisfied until you reach your career goal. Today, we are the leading company in Switzerland in the areas of outplacement (professional reorientation and career counselling) and employability.



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