

Significant increase in the demand for skilled workers in Switzerland: Swiss Skills Shortage Index overcomes the low of 2020

Zurich, 25 November 2021 – The skills shortage has become more acute compared to last year because the number of job vacancies has increased and the unemployment rate has fallen. The easing of the skills shortage caused by the Covid-19 pandemic in 2020 is barely noticeable at present. The shortage is particularly evident in engineering, IT and technical professions as well as medicine and pharmaceutics. This is reflected in the Skills Shortage Index of the Adecco Group Switzerland and the Swiss Job Market Monitor at the University of Zurich.

Almost all of the <u>labour market figures</u> for Switzerland are indicating a positive overall development and <u>economic forecasts</u> are predicting economic growth. Swiss companies urgently need suitable personnel to support this growth. It is no wonder that the demand for skilled workers is increasing rapidly at present. The unemployment rate of 2.5% also very low once again. Predictably, the Swiss Skills Shortage Index increased by 27% compared to the summer semester of 2020.

However, the index is currently 12% lower compared to the period before the Covid-19 pandemic (summer semester of 2019). Marcel Keller, Country Manager of Adecco Switzerland, predicts: "We are confident that the global economy will gain momentum in 2022 and that the pandemic situation will continue to normalise, which will further increase the demand for skilled workers. It is very likely that this development will also affect services such as the hotel and catering industry as well as tourism more intensively and holistically". Luca Semeraro, Head of Professional Recruitment for the DACH region within the Adecco Group, adds: "There is already a strong demand for qualified specialists. It is taking us much longer to find qualified employees to fill vacancies. It is now more important than ever to use the right channels and portals to actively source and search for suitable candidates, in particular for IT vacancies. In the software engineering and security sector, there is a widespread shortage of qualified professionals, such as cybersecurity specialists. Companies have become much more aware of the need for cybersecurity and so the demand for qualified candidates with digital literacy skills has increased."



Overall, it appears that the roller coaster ride of the Swiss Skills Shortage Index witnessed over the past two years seems to have ended as a result of these developments, at least for the time being.



A regional comparison shows that the demand for skilled workers in German-speaking parts of Switzerland has decreased slightly more than in French-speaking parts of Switzerland as a result of the Covid 19 pandemic. In a year-on-year comparison, however, the upturn in German-speaking parts of Switzerland was also stronger. The pandemic is therefore having little effect on the economic upturn witnessed in French-speaking parts of Switzerland in recent years. Since the beginning of the pandemic, the Skills Shortage Index has never fallen below the value from 2016 (when measurements began). Developments also indicate that the demand for skilled workers in cities has been affected more severely by the Covid-19 pandemic than in more rural regions, predominantly because services that shape the economy are run from cities and large numbers of people congregate within a small area here.

Significant skills shortages in engineering professions

The Covid-19 pandemic has sent shockwaves through the job market. The next few years will reveal exactly how much the market will change in the long term. However, the type of professions that have been hit particularly hard by the skills shortage has not really changed throughout the pandemic. As in previous years, engineering professions occupy top spot in the Skills Shortage Ranking. These professions have the greatest shortage of skilled workers. Marcel Keller gives his opinion on the current situation: "It will be exciting to see how the future develops here. If the regularly predicted supply bottlenecks occur more frequently, we expect that certain activities from different professions (e.g. engineering professions) will probably be put on hold, which could result in a temporary decrease in skills shortages".

IT professions occupy second place among the professions with the greatest skills shortage. Compared with previous figures, the skills shortage decreased only slightly at the start of the Covid-19 pandemic and has increased significantly over the last year, which means that the skills shortage in IT professions



has already returned to pre-pandemic levels. Kenan Aggül, Manager of Modis Switzerland his opinion: "The number of vacancies in IT professions has reached a peak since measurements began in 2016. The pandemic appears to have given digitisation a boost, which is why companies are intensively searching for IT specialists. The increasing demand for home office and online trading support are just two examples of this development".

Health professions have been the focus of public interest during the pandemic. The skills shortage in specialised nursing professions has been particularly prominent and is still increasing. It is therefore astonishing to see that the demand for skilled workers in the therapy and nursing professions appears to have decreased slightly in the Swiss Skills Shortage Index due to the Covid-19 pandemic. Helen Buchs from the Swiss Job Market Monitor adds: "The overall picture is inconsistent. The skills shortage is actually acute in some areas of nursing professions, particularly in specialised nursing professions, for example, which require longer training. There was, however, a sharp increase in the number of jobseekers during the pandemic, especially among the less qualified caregivers". "Nursing assistants typically work in care institutions such as retirement homes. In the event of austerity measures or a decline in the number of residents, the assistants are the first to be laid off because they are much easier to find on the market than nursing specialists who have had longer training. Such redundancies have been commonplace during the pandemic because many residents have died and a lower share of the elderly has opted to go into retirement homes", adds Corinne Scheiber, Head of Adecco Medical. Buchs continues: "One approach to reducing the skills shortage in specialised care professions would be investing in further training within the care sector. Care professions also known for having unattractive working conditions. Improving conditions would be a step in the right direction. Training and working conditions will be discussed on 28th November during the care initiative".

Covid-19 pandemic aggravates the situation for jobseekers in many service professions

While the Covid-19 pandemic temporarily alleviated the skills shortage in certain professions, it made the situation even worse for jobseekers in many areas of the labour market, particularly for people in professions with a high proportion of low-skilled employees as well as service professions. They have been severely affected by the pandemic and the measures taken to end it. The demand for skilled workers evaporated at the beginning of the pandemic and is now only increasing slowly. Unemployment has increased compared to before the pandemic. Buchs explains: "Consequently, jobseekers in these professions are finding it even more difficult to find employment, which is also reflected by the high proportion of long-term unemployed. Many people laid off during the pandemic have not found a new job since. Jobseekers over 50 have been particularly affected. In addition, without the huge number of people receiving partial unemployment compensation, unemployment figures would presumably have been much higher, especially in professions with an oversupply of skilled workers. The gap between professions with a skills shortage and those with an oversupply of skilled workers has widened due to the Covid-19 pandemic and has not yet closed again".

It is therefore important to make a contribution to improving the required skills and digital literacy capabilities of existing personnel through internal and external further training. This is also the way Marcel Keller sees it: "The demographic change combined with the digital transformation accelerated by the coronavirus pandemic has exacerbated the skills shortage. It is therefore more important than ever for employees to receive continuous further training and improve their digital literacy skills."

In commercial and administrative professions, for example, the oversupply of skilled workers has increased significantly once again compared to the period before the Covid-19 pandemic. Although the



number of vacancies has increased again since the summer of 2020, it has not grown as much as it previously shrank. "Commercial and administrative professions have been caught up in a crisis for a long time. In contrast to other occupational groups, the number of vacancies in these professions has been on a downward trend for a number of years", comments Buchs. Keller elaborates: "We are seeing a large number of candidates in the commercial and administrative professions on a daily basis. There are many qualified candidates on the job market, especially all-rounders such as personnel administration staff. Nevertheless, some profiles such as payroll specialists, for example, are very much in demand. We are having more trouble finding the right specialists for these job profiles".

The hospitality industry was hit hard by the Covid 19 pandemic and the measures taken to contain it. Many restaurants had to close temporarily and are still lamenting the lack of customers. It comes as no surprise that the demand for skilled workers in the hospitality and housekeeping professions declined sharply throughout the pandemic and has only just started to slowly rise again. Recently, there has been an upturn: The number of job advertisements for professions in the hotel and catering industries increased again sharply during the 2021 summer semester. However, the recent upturn cannot make up for the losses sustained at the start of the pandemic. Marcel Keller adds: "Since many employees in the catering industry were laid off and found alternative employment in other industries during the Covid-19 pandemic or decided to retrain for different professions because of the irregular working hours, we are still struggling with major recruitment issues in the industry".

We provide more detailed analyses on the six regions at adeccogroup.com/en-ch/.

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About the Swiss Skills Shortage Index

Every year, Spring Professional - a company from the Adecco Group Switzerland - publishes a comprehensive study on skills shortages in Switzerland in collaboration with the Swiss Job Market Monitor (SMM) and the Institute of Sociology at the University of Zurich. These scientifically substantiated skills shortage studies reveal the occupations for which the number of advertised positions is particularly large compared to the number of jobseekers, as well as the occupations for which this number is particularly small. In addition, the collection and comparison of data over many years makes it possible to identify increases and decreases in skills shortages for each occupation.



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