

## Press release

Zurich/Geneva, 11 December 2018

### **Huge potential of older workers to close labour gap – but 1/3 of companies see them as competitive disadvantage**

- **Switzerland will see its labour gap widen in the next years. Over-50s, women and part-timers offer substantial untapped potential to overcome the shortfalls.**
- **Many companies currently don't consider older workers as a valued resource: One third of Swiss companies see older workers as a competitive disadvantage.**
- **Though prejudices regarding older workers continue to prevail, a new Deloitte study shows that they are skilled, motivated and flexible, and less concerned about remuneration and job security.**
- **Around 1/4 of over-50s would like to continue working beyond retirement age. 85% of older workers say they are motivated at work, a higher figure than for other age groups.**
- **This and more in the [new Deloitte study gauging the attitudes of the workforce](#), based on a survey of 15,000 people across Europe, including 1,000 respondents in Switzerland.**

Low unemployment, high salaries and a skilled labour force: It's a known fact that the Swiss labour market is in good shape. However, some major challenges lie ahead. Digitisation is increasingly forcing employees to develop new and different skills. Demand is growing for employees with highly developed skills in the areas of creativity, social intelligence and digital technology. Some sectors, including ICT and health, are already finding it difficult to find staff. What's more, the demographic change of an ageing workforce is amplifying the emerging labour gap.

"2016 was the first year in which more Swiss workers left the labour market than entered it. If this continues, we will face a shortfall of around half a million of workers by 2030. Companies need to start to rethink not simply how to recruit staff with the right skills, but also to recruit adequate numbers of staff to meet future demands and to think about the workforce differently. One key strategy is to better use existing but under-utilised pools of labour such as women and older employees, as well as the workloads of part-time workers," says Myriam Denk, who leads Deloitte Switzerland's Future of Work practice.

#### **Older workers, women and part-time workers could fill labour market gap**

Various options have been debated to remedy the impending labour shortage: Working longer or raising the retirement age are currently at a political standstill, as is bringing more skilled workers into the country via looser immigration policies. Increased automation will trigger a structural change in the labour market, but it is unlikely that automation will fully compensate for the impact of demographic change.

So how can we prepare for the future labour shortage? "We see huge potential in the existing but underused pools of labour. The main potential is represented by the 'reserve army of labour', and by those who work part-time and could increase their work quota. Women and workers aged 55+ make up a large part of those groups," explains Michael Grampp, Chief Economist at Deloitte Switzerland and author of the [new Deloitte study gauging the attitudes of the workforce](#). "Many have already retired and are receiving their pension, so they're not actively seeking work, but they could indeed imagine working. To keep employability at a high level for older workers, it is essential that they are more flexible regarding salary expectations and working hours."

#### **Companies need to rethink the value of older workers**

According to the Deloitte survey, 27% of over-50s in Switzerland would like to continue working beyond retirement age. This group includes a higher than average proportion of highly skilled workers. Moreover, 85%

of respondents aged 55 and over say they are motivated at work, 89% enjoy their job, and 81% think that their work is appreciated – all considerably higher figures than for other age groups.

Chart 2. Proportion of over-50s who would like to continue working beyond retirement age<sup>13</sup>

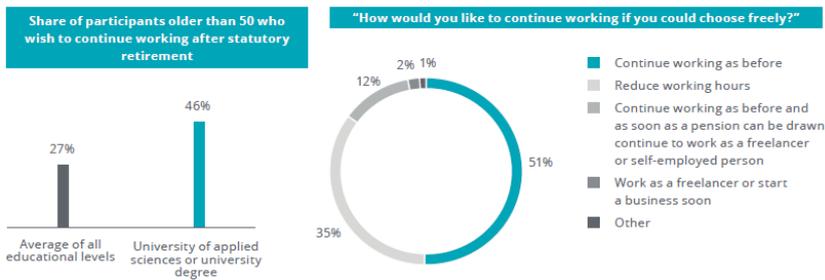
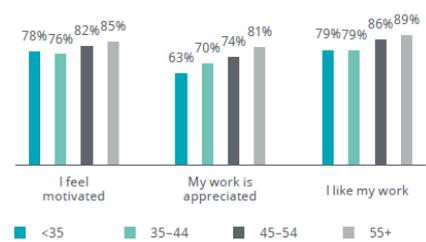


Chart 3. Swiss employees' satisfaction with their job



“Not upskilled enough, inadequate motivation, lack of flexibility – many employers’ prejudices against older workers are unfounded. Companies urgently need to rethink their attitude towards this labour demographic. Businesses that continue to view older workers as a disadvantage and focus solely on younger age groups when recruiting are making a strategic mistake,” urges Myriam Denk.

Many Swiss companies currently don’t consider older workers as a valued resource: One-third of Swiss companies see older workers as a competitive disadvantage, according to [Deloitte’s Human Capital Trends 2018](#). This is substantially higher than the international average of 20%. What’s more, as per the [Deloitte CFO Survey H2 2018](#), only 20% of Swiss companies currently make use of alternative pools of labour – including older workers – to tackle their skills shortage.

### More flexible career models needed

Of the 27% over-50s in Switzerland who stated that they would like to continue to work over the retirement age, 51% would like to continue their current working arrangements, while 35% wish to carry on working but to reduce their hours. Given the choice, 27% of over-55s would want to work part-time, 15% freelance, 10% be self-employed and 18% would choose a portfolio career. Thus, it seems imperative for companies to redesign traditional employment models to make them more attractive to new groups of workers.

“Companies need to offer more career models that enable employees to continue working for longer but also to work more flexibly. They also need to adapt their HR strategy to accommodate longer working lives and to reduce unconscious bias during recruiting processes,” concludes Myriam Denk.

Alternative career models for the workforce aged 55 and over include ‘bow careers’ – in which workload, responsibility and pay are reduced by stages –, job-sharing with younger colleagues to promote knowledge transfer, or coaching and mentoring roles. A pool of interested retired employees could also be created so that a company can bring them back on a ‘gig’ basis and access their expertise when needed.

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### About this report

To gauge the attitudes of employees, Deloitte surveyed 15,000 people from ten European countries (France, Germany, Italy, the Netherlands, Poland, Romania, Spain, Sweden, Switzerland and the United Kingdom) in August 2018. In Switzerland, 1000 people were surveyed. Participants were all members of the active working population and were either in employment or seeking work. All were aged 25 or over.

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