

More Than Equivalent: New Analysis of Wages and Overtime in Temporary Work

Temporary workers earn the same as their directly employed colleagues – and even significantly more than direct employees on a limited contract – and work less overtime, but are more likely to be financially compensated for it. These are the results of swissstaffing's first ever analysis of the figures from the Swiss Labour Force Survey (SLFS).

In its study “More than equivalent: wages and overtime in temporary work,” swissstaffing was able to compare the working conditions of temporary workers with people directly employed by their hiring company for the first time thanks to figures from the Swiss Labour Force Survey. Given widespread concerns, the results were surprising to many: Temporary workers’ working conditions withstood comparison with those of hiring companies, and in some areas temporary workers are even significantly better off. The staff leasing sector successfully combines flexibility with social security and offers flexworkers a fair, secure framework.

As well as looking at the standard areas of industry structure, regional distribution, gender, and nationality, the wage comparison also examined professional experience, gaps in employment, and age, and showed that temporary workers earn the same as people employed directly by hiring companies. Compared with direct employees on a limited contract, temporary workers even earn significantly more (see table).

Table: (Annual) wage comparison: agency workers vs direct employees

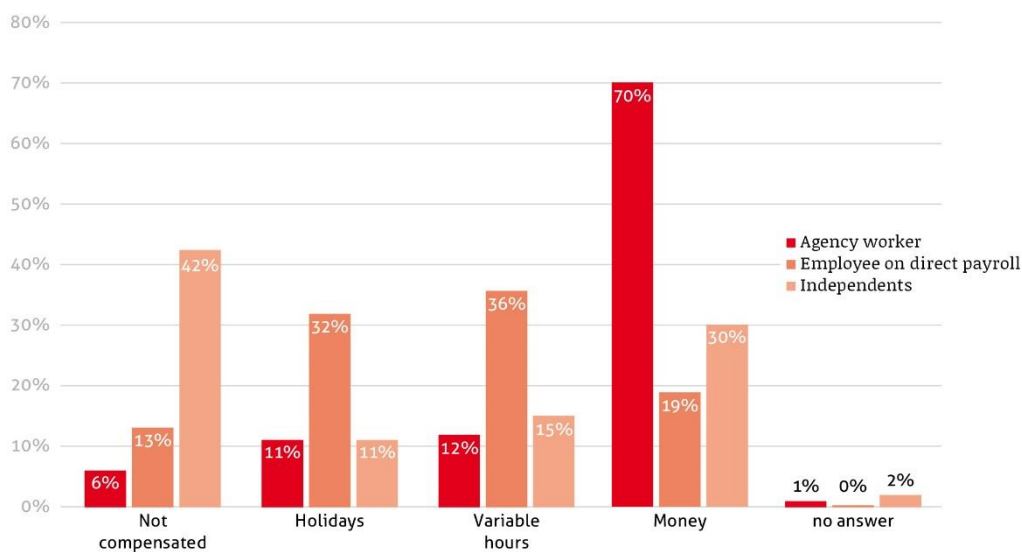
	Oversimplified wage comparison	Wage comparison including background	Wage comparison including background & contract type
2017-2019 (Observations: 88,116; Agency workers: 814)	-6370	(160)	2410
2014-2016 (Observations: 91,125; Agency workers: 751)	-6330	(840)	2800
2012-2013 (Observations: 62,644; Agency workers: 478)	-8560	(-1090)	(320)
2010-2011 (Observations: 60,941; Agency workers: 578)	-7920	(-210)	(1260)
Limited (term) contract			✓
Personal characteristics & Educational background		✓	✓
Professional background		✓	✓
NOGA class	✓	✓	✓
Region	✓	✓	✓
Year	✓	✓	✓
Weekly working hours	✓	✓	✓

Note: The table indicates the results of a wage comparison between agency workers and direct employees based on weighted data of the Swiss Labor Force Survey (SLFS). For values given in brackets, the wage gap is not statistically different from zero, i.e. equal pay. A more detailed explanation of the estimation strategy used can be found in the swissstaffing white paper.

Benefits of Staff Leasing: Overtime is Paid, Extra Work is Rare

According to the Swiss Labour Force Survey (SLFS), 76% of Swiss employees often or sometimes work overtime. However, temporary workers were required to work longer hours less frequently (28%) than direct employees (38%). They were also more likely to be monetarily compensated for their overtime than direct employees (see figure). Temporary workers are therefore significantly better off as regards overtime than people employed directly by their employer – in terms of both the amount of extra work undertaken and the compensation received for it.

Figure: Compensation of overtime as reported by employees



Note: The figure shows how agency workers, employees on direct payroll, and people who are self-employed get compensated for their overtime based on weighted data of the Swiss Labor Force Survey (SLFS). SLFS, 2017–2019. Observations: 595 (agency workers), 85,308 (employees on direct payroll), 12,617 (independents).

Staff Leasing – A Secure Balancing Act between Flexibility and Protection

The results of the analysis are even more remarkable given that 12% of temporary workers are in an interim role. The expectation would be that this kind of employment contract would mean a lower wage than in the general labor market. From a political perspective, the interim employment opportunities offered by staff leasing companies are very valuable – on the one hand, the state can save on unemployment benefits, and on the other, the unemployed can extend their entitlement to state support and get ready to dive back into the labor market.

This analysis shows once again that staff leasing is a tried-and-tested tool offering flexible work within a framework governed by legislation and social partnership. Temporary workers enjoy stronger protections than the self-employed, since as employees they are subject to labor and social security law and have access to innovative, tailor-made solutions as regards social insurance and further training. Compared to a traditional employment relationship, temporary work offers greater flexibility to both employers and employees. Targeted relaxation of the Swiss Law on Employment Recruitment could even more effectively ensure a secure framework for staff leasing in the context of an increasingly flexible working world.

The full **white paper “More than equivalent: wages and overtime in temporary work”** can be downloaded at www.swissstaffing.ch/whitepaper.

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What is staff leasing?

The term “staff leasing” describes a triangular relationship between a staff leasing company, a hiring company, and an employee. The employee concludes an employment contract with the staff leasing company (art. 19 AVG). The staff leasing company cedes authority over the employee to the hiring company, but remains their statutory employer. The Swiss Federal Law on Employment Recruitment (AVG), the Federal Ordinance on Employment Services (AVV), and the CBA on Staff Leasing (CBA Staff Leasing) – declared to be universally applicable – form the legal basis for the relationship.



swissstaffing is a service centre and centre of excellence for staff leasing companies in Switzerland. As an employers’ association, swissstaffing represents the interests of its 400 members in matters of policy, the economy and society. swissstaffing is a social partner of the CBA on Staff Leasing, the agreement covering more employees in Switzerland than any other.

Studies on temporary workers and recruitment agencies in Switzerland

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