

Temporary nursing staff even helping to reduce hospital costs

For the first time, a full cost analysis has provided factual evidence that temporary work is the more cost-effective solution where flexible staffing is needed, and is stabilizing healthcare provision in Switzerland.

The central argument made by Zurich hospitals in their announcement that they would not be using temporary work in the future was that it creates additional costs. However, an expert report from Swiss Economics has now shown that temporary work is in fact more economical for hospitals than if they force their staff to work overtime or establish their own pools of flexible carers to handle fluctuating workloads. If a hospital does not have access to sufficient carer resources, temporary work is the more cost-effective solution and stabilizes healthcare provision in Switzerland. The results of this study, conducted on behalf of swissstaffing, should demand a further course correction by the Zurich hospitals association VZK. The VZK backed down after a COMCO complaint by offering a questionable clarification as they feared anti-trust consequences due to an illegal agreement by Zurich hospitals to boycott staff leasing companies. Now, even their central argument for this illegal agreement has been refuted.

In February, the VZK (Zurich hospitals association) announced that they would not be using temporary care staff from summer 2025 onwards. The stated reason was that this created unnecessary additional costs. Following public criticism and a complaint by swissstaffing, the Association of Swiss Recruitment Agencies, to the Swiss Competition Commission (COMCO), the VZK issued a clarification at the end of June stating that there had never been any joint agreement and each hospital would make its own decisions regarding staffing matters. Whilst COMCO's further steps remain to be seen, the central question remains whether temporary staff are more expensive for hospitals than internal alternatives when covering short-term staffing needs?

Temporary work a cost-effective staffing solution

In the spring, individual hospitals were already complaining of high cost mark-ups by staffing companies. The challenge is that one-off comparisons between gross wages and leasing rates are misleading. What actually matters is the overall costs of the staffing strategy – including overtime pay, recruitment, administration and the opportunity costs that arise when beds have to be blocked off due to staff shortages. These factors have now been taken into account by a full cost analysis conducted by Swiss Economics on behalf of swissstaffing.

When deployed in a targeted way, temporary work closes supply gaps, relieves the burden on permanent staff, and is a cheaper solution to staff shortages than alternatives such as overtime, internal pools, or reducing bed capacity. Short-term absences, even when using permanent workers, often result in rapidly rising costs due to overtime pay or flexibility bonuses, and the quality of care suffers without replacement staff. Blocked beds mean loss of income and can endanger patient care. Temporary work is therefore a cost-effective tool for ensuring high-quality care and keeping costs low. Its use in healthcare remains low, at 0.6% to 2.2% of total staff (estimates vary). Given this, the blanket accusation that temporary work is driving up healthcare costs does not stand up to a full cost analysis.

Cost comparison: 'Bülach model' more expensive than temporary work

Swiss Economics's expert opinion lists all of the costs involved in each type of care work. The full costs of a permanent care specialist average 76 francs an hour. If a care employee like this needs to be replaced at short notice, the hospital may hire a temporary carer, but at an average of 86 francs an hour, they cost around 13% more than a permanent member of staff.

However, there is more to this comparison. As a form of work, the purpose of temporary working is not to cover a hospital's plannable baseline, but rather to close short-term staffing gaps. But what costs arise if a hospital is forced to fill these increased requirements for certain staff using permanent employees and therefore to pay overtime? The costs of this for a hospital average 88 francs an hour and are therefore higher than those for a temporary carer. As a reminder, a lack of resources has prompted hospitals to create pools of internal carers willing to work flexibly. This is rewarded with higher wages, among other things. This has an impact on costs, as demonstrated by the example of Bülach Hospital's much-discussed pool model: if the hospital is able to find a permanent member of staff who can take the task on without overtime, this proves slightly cheaper at 82 francs per hour. However, under the flex models, the costs of an hour of work sit at between 90 and 92 francs, putting them significantly higher than temporary work. The authors of the study have therefore provided a fact-based disproof of the hospital's main argument that 'temporary work creates higher costs'.

Restrictions causing economic damage

Restrictions on temporary work should not just be examined from a business perspective. The study also makes reference to external costs that hospitals do not incorporate into their calculations. Firstly, there is a threat of a macroeconomic loss of nursing staff: without the option of temporary work, many nursing staff would not take up a permanent position, but would instead leave the profession or sector. The staff shortage would be exacerbated, impacting the healthcare system as a whole. Secondly, competitive pressure on the labor market for healthcare institutions is decreasing. Temporary staffing providers are forcing hospitals to adopt innovative staffing policies and improved working conditions. This is making care professions more attractive – enticing in more young talent and increasing job loyalty. Thirdly, the

opportunity costs are underestimated: without the burden relief that temporary staff provide, there is a threat of beds being blocked off, whilst overtime and fluctuations in permanent staff reduce the quality of care. The result is unrecognized welfare losses for patients. These three factors show that temporary work plays a vital stabilizing role in healthcare provision.

Resilient care thanks to smart flexible models

Staff leasing is not the problem, but rather an effective tool as part of modern healthcare. From a full-cost perspective, it mitigates the economic impact of staffing peaks, keeps bed numbers and quality stable, reduces overtime and the risk of illness for the permanent team, allows specialists to be flexible, and provides competitive incentives for improved working conditions. When deployed professionally with clear quality criteria and structures in the procurement process, staff leasing therefore makes healthcare institutions more resilient and financially sustainable. One response to the shortage of healthcare specialists is therefore also to combine strong permanent teams with flexible staff – benefiting patient safety, staff satisfaction and budgets in equal measure.

The Swiss Economics ‘**Ökonomisches Gutachten zur Temporärarbeit in Spitälern**’ (Expert Economic Report on Temporary Work in Hospitals) is available to download from www.swissstaffing.ch/de/downloadcenter (in German only).

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swissstaffing is the center of excellence for staff leasing companies in Switzerland. As an employers' association, swissstaffing represents the interests of its over 500 members in matters of policy, the economy and society. swissstaffing is a social partner of the CBA on Staff Leasing, the CBA covering more employees in Switzerland than any other. www.swissstaffing.ch.

Studies on temporary workers and staff leasing companies in Switzerland

swissstaffing regularly produces white papers on economic, political and social issues relating to temporary work in Switzerland. To this end, the association also conducts surveys. The current studies can be found by clicking on [this link](#).