

Summary

Expert Economic Report on Temporary Work in Hospitals

Temporary work in hospitals helps to bridge short-term staffing gaps, absorb peak loads, and recruit qualified specialists. Nevertheless, there are ongoing efforts to restrict or even ban it. The reason generally given is the extra costs that (in addition to the higher hourly costs) supposedly result from longer induction periods and increased coordination work between temporary and permanent employees.

However, restricting temporary work would limit the freedom of choice of hospitals to which a tried-and-tested form of work would be out of bounds. This would also have consequences for competition: hospitals are not just the clients of staff leasing companies, but also compete with them directly for specialists. The resulting competition forces hospitals to offer more attractive labor conditions (among other things). If this competition were taken away, it would increase hospitals' market power, resulting in reduced demand, lower wages, and economic inefficiency.

The theory that temporary workers are generally more expensive than permanent ones in healthcare is also not tenable. A proper cost comparison must take into account all direct and indirect costs. The latter include administrative work and recruitment costs. Where the relevant quantifiable costs are taken into account, the average hourly cost of temporary workers is slightly higher than for permanent staff, but the upper cost limit for both forms of employment is roughly the same.

However, average hourly costs alone do not provide a full picture. Temporary work is notably used to cover vacant positions and absences. Without these, employers would have to either pay expensive overtime or activate internal flexible staff pools. The cost of both of these alternatives must be incorporated into a comparative analysis. This analysis showed that the average hourly costs of temporary workers are 86 francs, whilst average hourly costs for a permanent member of staff – taking into account overtime or flexible deployment in a labor pool – are 88 to 90 francs. This cost consideration therefore demonstrates that temporary work is a cost-effective option for overcoming short-term shortages.

However, the value it offers healthcare goes beyond just this. Using temporary work helps to avoid the high fixed costs of permanent positions, as these are replaced by variable needs-based costs. In addition, as noted, placing restrictions on temporary work would limit labor market competition to the disadvantage of employees, and could therefore worsen the skills shortage over the long term. It could also result in bed blocking and a drop in the quality of healthcare provision. Temporary work therefore stabilizes the system: it keeps specialists in the profession and helps to bridge supply gaps.

Note: 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 and is only available in German.