

WHITE PAPER

# **What keeps women out of the labor force in Switzerland?**

... and what we can do about it

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Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders – empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.

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The EqualVoice initiative was launched in November 2019 by Ringier CFO Annabella Bassler and is chaired by publisher Michael Ringier and CEO Marc Walder. EqualVoice aims to advocate gender equality in the media and reduce the gender visibility gap. The core of the EqualVoice initiative is the EqualVoice-Factor, an in-house developed algorithm analyzing text, images, and video. EqualVoice is not only focused on how often women are mentioned in the media, but also focuses on context, images, and language.

## Key takeaways

- » Labor shortage is at a 20-year high. Women could fill up to 60,000 jobs (50% of the current job vacancies in Switzerland).
- » Women want to work more – flex work is a best practice. 2 in 5 underemployed women would like to work full-time. The remainder - 3 in 5 - would like to increase part-time work. Mothers in particular.
- » It starts with recruitment. 2 in 5 women would refuse an attractive job offer if they had a negative experience during the hiring process.
- » Women care about the job content. More women in Switzerland (30%) than abroad (23%) want to work on interesting products and topics, especially those highly educated (43%) and managers (36%).
- » Women seek alignment with values and appreciation for work. The alignment of company values with personal values is the second most important deal breaker for women in Switzerland.

# Introduction

## Labor market dynamics are changing rapidly, both globally and in Switzerland.

There is unprecedented growth in demand for talent in emerging fields such as IT, digital and engineering, as well as in the care economy. However, this growing demand is not being met. The developed world is experiencing a continuous shrinking of the labor force due to an aging population as well as a phenomenon that has been labeled “the Great Resignation”. Employees are being more selective about when, where, and why they work, asserting their need for greater flexibility.

In such an environment talent turns into a critical and scarce resource. Employers who know how to manage the situation will gain a competitive advantage. Despite advances in gender equality, women are – both globally and in Switzerland – an underutilized talent pool. In a talent constrained world, employers must better understand how to attract and retain the female workforce.

In this study, we have attempted to quantify the potential for increased inclusion of women in the labor force, leveraging proprietary BCG data to shed new light on what Swiss women want from their employers.

In 2022, BCG and The Network (a global alliance of recruitment platforms and job boards) asked ~90,000 people from 160 countries how they want to be recruited, what matters to them in a job search, and what aspects of the recruitment journey deter them. The survey covered three main topics: prospective employees’ current position in the labor market, their preferences regarding their ideal career, and their preferred recruitment journey. For this report, Switzerland-specific data of 976 respondents were leveraged (out of which 57% female).



# 1 Stronger inclusion of women in the Swiss job market can help relieve the existing labor shortage

## Switzerland faces unprecedented talent constraints ...

At the end of 2022, there were more than 120,000 job vacancies<sup>1</sup> in Switzerland, the highest figure in 20 years. At the same time, Switzerland hit the lowest level of unemployment in two decades, at just 2.1%<sup>2</sup>. No sector of the economy is immune to the labor shortage – professionals in healthcare, IT, engineering, construction and mechanics are all highly sought after<sup>3</sup>.

## ... yet does not fully leverage its female talent pool.

Switzerland is leading in female labor force participation in Europe, together with the Netherlands and the Nordic countries<sup>4</sup>: 61.9% of working-age women in Switzerland work, 10.5 percentage points fewer than men<sup>5</sup>. However, when it comes to women who are employed full time, Switzerland is lagging behind European countries<sup>6</sup>; 3 in 5 employed women in Switzerland work part-time, as opposed to less than 1 in 5 men<sup>7</sup>.

Many of these women do not work part-time by choice. A significant share of women in the Swiss labor force want to increase their gainful employment. Today, 7.5% of employed people in Switzerland are underemployed, i.e., they currently work part-time, but would like to work more and would be immediately available to do so<sup>8</sup>. Three quarters of the underemployed are women, 2 in 5 of whom would like to work full-time and the remainder – 3 in 5 – would like to increase their part-time work<sup>8</sup>. Mothers are particularly affected.

Let's now embark on a simple thought experiment. Let's consider the effects of increasing the female participation in the Swiss labor force. What would happen if underemployed women in Switzerland increased their work capacity by just 20%, i.e., work one more day a week? It would mean that more than ~20,000 full-time equivalents (FTE) of female talent would be available to Swiss employers. And what if we could activate a small percentage of women who are currently outside of the labor force to come back to work? Assuming a conservative re-entry rate of just 5% (of women outside the labor force), we would unlock another ~40,000 women in FTEs for the Swiss economy. The simplified mathematical example shows that the domestically available female talent could help halve the current labor crunch.

## There is some progress in senior-level representation, but significant differences between men's and women's careers remain.

At the top of the corporate ladder, the situation for women appears to be improving. According to the schillingreport, for the first time in history, 52% of the 100 largest publicly listed companies in Switzerland have at least 3 women on their supervisory board<sup>9</sup>. In this respect, Switzerland is catching up to its European peers<sup>10</sup>.

However, the Swiss Labor Force survey shows that women are generally employed in lower positions than men and more often in non-managerial positions<sup>11</sup>. For example, significantly more women than men – ~65% as opposed to ~50% – occupy positions without a supervisory role<sup>11</sup>.

The gender parity gap in management roles – a key indicator for future executive-level female representation – remains noticeable. It is therefore important to understand what barriers or unmet needs prevent women from re-entering the labor force or engaging at higher levels of the hierarchy.

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Women want to work more – flex work is a best practice. 2 in 5 underemployed women would like to work full-time. The remainder - 3 in 5 - would like to increase part-time work. Mothers in particular.

## 2 To attract and retain women, Swiss employers must understand their specific priorities

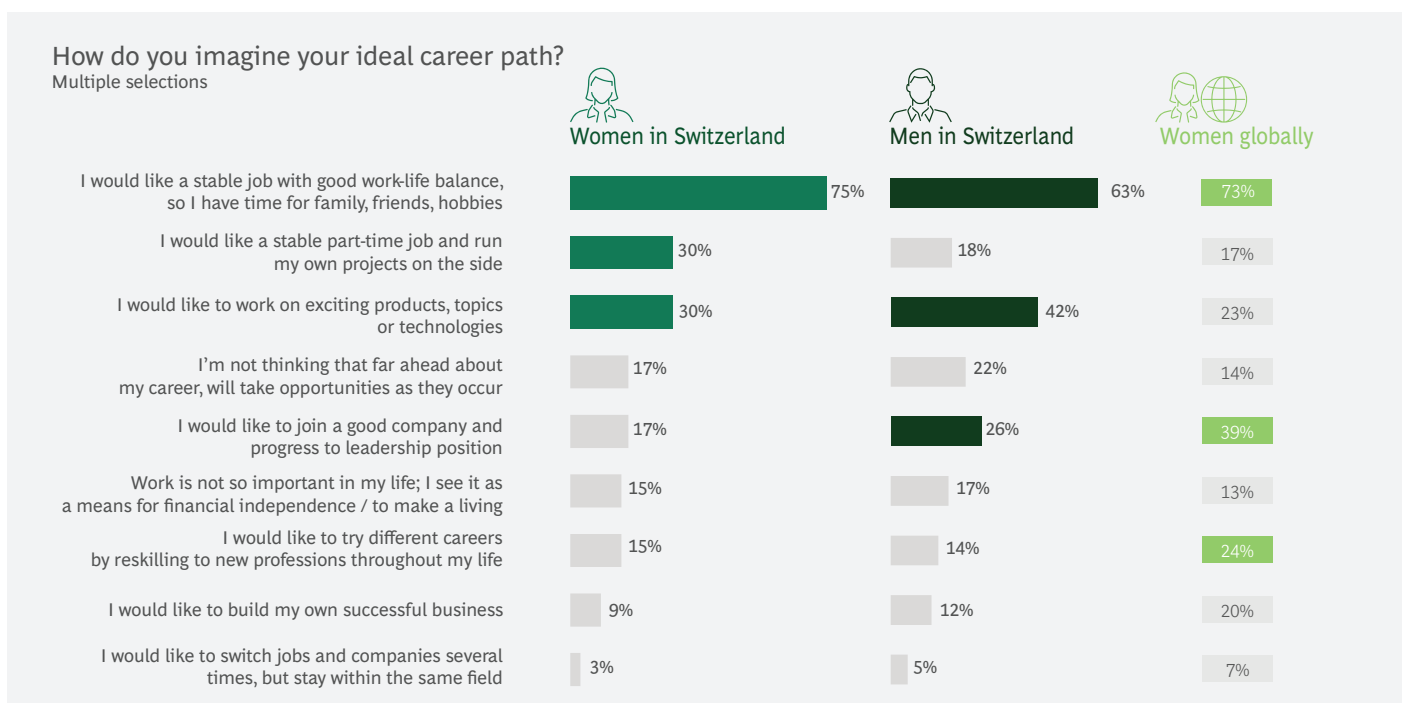
### The ideal career path for women in Switzerland is a stable job with a good work-life balance.

Similar to global trends, most women (75%) in Switzerland value stable jobs that leave time for family, friends and hobbies. This tendency holds equally true for most men (63%) and is not affected by age or education levels. Women in Switzerland have a stronger preference for a stable part-time job than their global peers.

Generally, men and women in Switzerland show a lower willingness to progress to leadership positions (17% women vs 26% men) relative to their global peers (39% women vs 43% men).

However, women who already work at any management level want to advance further. Their willingness to advance in their companies (28%) is higher compared to the general Swiss results. Moreover, they have a slightly lower expectations on work-life balance - 8 percentage points less compared to the average result for all women in Switzerland. Female managers are also less likely to want to work part-time compared to their non-manager peers.

## Exhibit 1 | Work life balance, joining a good company and working on exciting topics as main drivers of satisfaction



Source: 2022 BCG/The Network proprietary web survey and analysis of 90,547 respondents

## Women in Switzerland value flexibility in terms of location and hours.

Men (63%) and women (72%) in Switzerland find hybrid work more appealing than their global peers (~53%). Hybrid work is particularly important to women with higher education (4 in 5) and managerial roles.

Just as the ideal career path data indicate, the share of women (51%) who would seek part-time employment in Switzerland is substantially higher than the global average for women (16%) as well as men in Switzerland (26%).

The biggest difference in full/part-time preferences is not strictly between genders, rather a maternity gap. When mothers are compared to men (fathers and childless men alike), a true chasm in stated preferences emerges alongside traditional gender roles.

Mothers are ~1.5x as likely to prefer part-time work of 3-4 days compared to women without children (43%), and ~3x more likely to do so compared to fathers (24%). The opposite is true for men. Fathers are more likely to want to work full-time (74%) relative to childless men (64%). The family model of a caregiver and a financial provider seem to prevail as the social norm in Switzerland. Or is it a childcare related necessity?

## Recruitment process matters.

Recruiting is a complex journey, with many steps for both parties – from sparking interest to signing the offer. 2 in 5 women would refuse an attractive job offer if they had a negative experience during the hiring process e.g., encountered discriminatory questions or bad “chemistry” with the interviewer, etc. We identified a few clear trends in recruiting women.

- **Showing interest in a potential employee and reciprocating:** 72% of women in Switzerland and 54% globally think that employers stand out when they show interest in them as persons during the recruiting process. Interestingly, an overwhelming majority of Swiss residents – 4 in 5 women and men – say that a tour of the workplace would motivate them to accept the job offer. Globally these numbers stand at less than 1 in 2.
- **Being punctual – in terms of time and information:** Having an honest conversation (without overselling) and ensuring a timely process also top the charts. 84% of Swiss women care about the former and 75% about the latter.
- **Negotiations matter:** Being open to negotiation would motivate 2 in 3 women and men in Switzerland to accept the offer. This is even more important to highly educated women – 3 in 4 stress the importance of negotiating.

It starts with recruitment. 2 in 5 women would refuse an attractive job offer if they had a negative experience during the hiring process.

## Women seek alignment of values and appreciation.

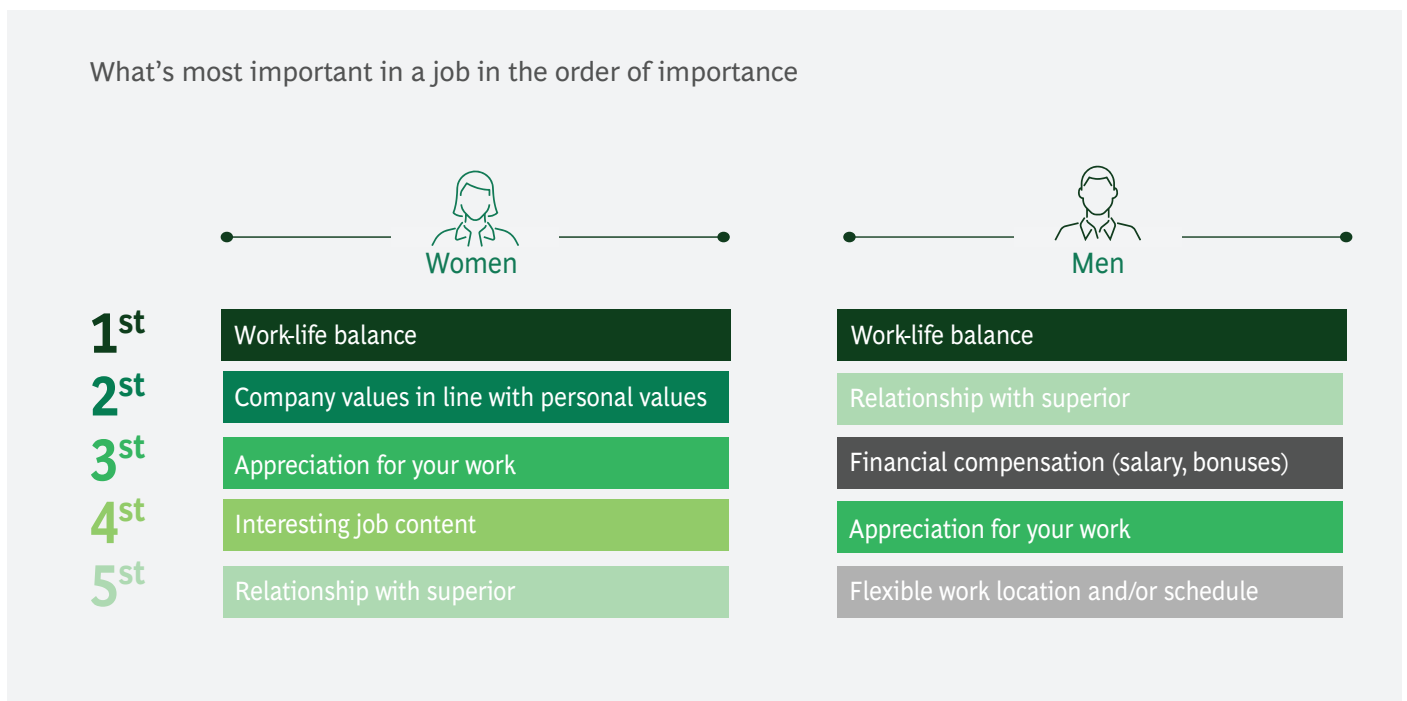
Both men and women agree that work-life balance tops the charts when making a job decision. In addition, the alignment of company values with personal values and appreciation for work performed stand out as the most significant dealbreakers and motivators for women in Switzerland. By comparison, men rate the relationship with their superior and financial compensation higher than appreciation for the work performed.

The 4<sup>th</sup> most relevant consideration for women is their level of interest in the job content. In fact, an opportunity to work on interesting products, topics and technologies – an important aspect in career choice in Switzerland (see Exhibit 1). More women (30%) in Switzerland than abroad (23%) would like to work on such projects. This is especially true for those with higher education (43%) and management positions (36%).

Women seek alignment with values and appreciation for work. The alignment of company values with personal values is the second most important deal breaker for women in Switzerland.

Women care about the job content. More women in Switzerland (30%) than abroad (23%) want to work on interesting products and topics, especially those highly educated (43%) and managers (36%).

## Exhibit 2 | Top 5 job dealbreakers for women and men



Source: 2022 BCG/The Network proprietary web survey and analysis of 90,547 respondents



## 3 Five best practices every employer should follow to respond to women's preferences.

When addressing inclusion strategies, it is easy to go down the road of popular initiatives that sound good (e.g., a flagship leadership program for women), but may end up having limited effect. To avoid such pitfalls in attracting and retaining women, we will share best practices that could help respond to the discussed barriers.

### Introduce FlexTime options.

1 There is a strong need to accommodate the demand for flexibility. Companies could, where possible, opt to introduce **optional + core hours**, a model in which employees can decide to work on their own time as long as they are available during pre-defined business hours (e.g., everyone from 10h to 14h). Complementary to optional hours is **protected time**, which accommodates daily differences in employees' work and personal obligations. In a protected time model, employees can opt to strictly not work during certain periods of the day, e.g., until 9.30h every morning. Alternatively, employers could experiment with **compressed weeks** where employees complete their hours through longer, but fewer days. **Job sharing** suits the requests for part-time work. In this model, two part-time employees share a job with all its tasks, reporting to one manager, just as one full-time employee would. They are still evaluated individually, while holiday and sick leave coverages can be coordinated between the two.

### Introduce FlexWork options.

2 Our survey shows that the future of work lies with **hybrid models**, wherever and whenever possible. Consequently, it is essential that employers offer a combination of on-site and off-site working options. Off-site should incorporate a multitude of work locations, e.g., from home, caregiving sites. Another option would be to offer **digital nomad weeks** where, provided work law compliance, employees can benefit from working from a remote location for a few weeks a year. Initiatives like **"workation" or temporarily reduced hours**, which allow people to reduce their work capacity during a few consecutive weeks while at a remote location, also accommodate the need to combine work and personal time in a chosen location.

### Care for your caregivers.

3 A major point in attracting and retaining those in the talent pool who are mothers is the reliability of childcare. Offering **childcare benefits** would be a strong signal from employers about their commitment to their employees and to diversity in the workforce and could prove a significant step in removing barriers for those women who prefer to work full time. Childcare benefits for employees could include an allowance for childcare costs (nursery, au-pair, nanny, etc.), providing on-site childcare solutions, or offering partnerships with childcare providers (e.g., emergency nanny service). Furthermore, **extended paternity leave** (e.g., above the 2 statutory weeks for men) promotes gender equality in childcare from the start.

## Promote values, impact, and learning.

As demonstrated, Swiss women are attracted to employers with strong values and a positive impact on society. Employers should ensure they have a **strong Corporate Social Responsibility approach** with a clear set of topics they stand for, as well as opportunities for employees to participate in activities with positive social impact (e.g., charity events, working with disadvantaged communities, mentoring youth, donations). To respond to the desire to work on exciting projects and technologies, companies could create **internal talent mobility programs**, through which employees could engage in job rotations, traineeship programs, or temporary geographic mobility.

4

## Focus on the person during recruitment.

The first step to an engaged employee is the recruitment process. Our research shows that personal connection and responsiveness are critical for women. Exceptional employers can **ensure responsiveness** in a formalized process with time-related KPIs and through the help of recruitment tracking systems. The need for **personal connection** can be met through rigorous training of interviewers on how to ask genuinely attentive questions and how to be ready to listen and learn about the life and interests of the potential employee. Practicing **skills-based hiring** helps too – focusing on the attitudes and abilities of the candidate as opposed to degrees and past jobs held. Finally, introducing a few **touchpoints that build trust** before giving or signing the offer (e.g., a call with a manager, Q&A with another employee, a tour of the office) could go a long way toward establishing a rapport with a potential future colleague.

5

**Finally, do not think one-size-fits-all.** “Women” is not a homogenous category. Segmenting your DE&I strategy by sub-groups is critical. While there are common denominators in female talent, distinctions in age, motivation, position, and job role, lead to different emotional, functional, physical and financial needs. If we are to achieve true parity and keep women in the Swiss labor force, these differences need to be addressed and accommodated through a nuanced approach.

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