Work and Life in Switzerland

There is no country in the world quite like Switzerland. It is both the Alpine idyll of Heidi fame and an economic powerhouse, home to an array of global humanitarian organizations, high-tech watchmakers and ground-breaking engineering companies, and to cheese makers whose methods have remained unchanged for centuries. A small, mountainous and landlocked country in the middle of Europe, once so poor that many of its men had to serve as mercenaries abroad, Switzerland now relies on imported labor to fuel its multinational companies, booming construction businesses, healthcare services and tourism industry.

The World Economic Forum’s Global Competitiveness Report 2014-15 rated Switzerland number one for the sixth consecutive year, highlighting the factors that make Switzerland so successful. Among these are “stable, transparent and effective institutions; sound and healthy public finances; an attractive tax regime; excellent infrastructure and connectivity; a world-class education system; relatively peaceful relations among social actors within a flexible labor market; the highest level of business sophistication; and, most importantly, an exceptional capacity for innovation.”

Ranked the fourth richest country in the world by the International Monetary Fund in 2013, and the best place in the world to work and live by the HSBC Expat Survey in 2014, one might expect Switzerland to have progressive policies supporting women’s rights and the compatibility of work and family. Instead, Switzerland lags behind most other European countries in these areas. Women’s suffrage arrived late, maternity leave is very new and the shortest in Europe, there is no current entitlement to paternity leave, and childcare is extremely limited.
Demographics

Switzerland has four distinct language regions. Most Swiss speak at least two of the official languages and many speak English as well. The majority (74%) live in urban areas, with one-half of the population living in Zurich, Geneva, Basel, Bern and Lausanne (Statistical Data on Switzerland, 2015). Foreign nationals comprise nearly 24% of the permanent resident population. The increase of almost 2 million in population over the past four decades is mainly due to immigration rather than increased birth rates (Swissworld.org). Switzerland has a high percentage of older people, with 17% of the population 65 and older in 2012, projected to rise to 28% by 2060 (Statistical Data on Switzerland, 2015).

Approximately 86% of adults aged 25-64 have an upper secondary school degree, 11% more than the OECD average of 75%. Participation in higher education increased dramatically between 2000 and 2012, with a three-fold increase in the number of university degrees (Statistical Data on Switzerland, 2015). It is anticipated that the numbers of Swiss completing tertiary-level education will continue to increase in the next decade, from 37% (2012) to 45% (2022) (OECD Index). Switzerland offers a range of higher secondary education and training paths, valuing apprenticeships as well as trade school and university preparation. This results in highly skilled workers and a youth unemployment rate of only eight percent, compared to 25% in Europe and more than 50% in some other countries.

Politics

The Swiss confederation was originally formed by three rural cantons (Uri, Schwyz and Unterwalden) in 1291. It now comprises 26 cantons with a federal constitution dating from 1848. Each canton (similar to a US State) is unique, and has its own constitution, government, parliament, courts and laws. These are generally aligned with national requirements, but the cantons also enjoy a lot of flexibility to determine their own policies (Swissworld.org). Very few policies are mandated at a federal level, thus limiting the implementation of, among other things, a coordinated nation-wide policy for the compatibility of family and paid work.

Switzerland is referred to as a direct democracy because its citizens make the final decisions, through referendums, about important laws and policy changes. Any citizen can initiate a referendum by collecting 100,000 signatures. Switzerland is known for its focus on community service, and people are encouraged to work in public office in addition to their jobs. There is a strong emphasis on citizen participation in all aspects of government.

### Facts about Switzerland

<table>
<thead>
<tr>
<th>Population (July 2014)</th>
<th>8 million</th>
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<tbody>
<tr>
<td>Resident Foreign Nationals</td>
<td>23.8%</td>
</tr>
<tr>
<td>Fertility Rate (2013)</td>
<td>1.52 average number of children per woman</td>
</tr>
<tr>
<td>Median Age (2014)</td>
<td>42 years</td>
</tr>
<tr>
<td>• Median Age Women</td>
<td>42.9 years</td>
</tr>
<tr>
<td>• Median Age Men</td>
<td>41 years</td>
</tr>
<tr>
<td>Life Expectancy (2014)</td>
<td>82.4 years</td>
</tr>
<tr>
<td>• Life Expectancy Women</td>
<td>84.8 years</td>
</tr>
<tr>
<td>• Life Expectancy Men</td>
<td>80.1 years</td>
</tr>
<tr>
<td>• OECD Average</td>
<td>80 years</td>
</tr>
<tr>
<td>Statutory Retirement Age</td>
<td>64 years</td>
</tr>
<tr>
<td>• Retirement Age Women</td>
<td>65 years</td>
</tr>
<tr>
<td>• Retirement Age Men</td>
<td>65 years</td>
</tr>
<tr>
<td>Literacy Rate</td>
<td>99%</td>
</tr>
<tr>
<td>GDP (2013 per capita)</td>
<td>$54,800 US</td>
</tr>
<tr>
<td>Standard Work Week</td>
<td>42 hours</td>
</tr>
<tr>
<td>Unemployment Rate (2013)</td>
<td>3%</td>
</tr>
<tr>
<td>Geographical Size</td>
<td>roughly twice the size of New Jersey</td>
</tr>
<tr>
<td>Official Languages</td>
<td>native tongue</td>
</tr>
<tr>
<td>• German</td>
<td>65%</td>
</tr>
<tr>
<td>• French</td>
<td>23%</td>
</tr>
<tr>
<td>• Italian</td>
<td>8%</td>
</tr>
<tr>
<td>• Romansh</td>
<td>less than 1%</td>
</tr>
<tr>
<td>Religious Affiliation</td>
<td>38%</td>
</tr>
<tr>
<td>• Roman Catholic</td>
<td>27%</td>
</tr>
<tr>
<td>• Protestant</td>
<td>21%</td>
</tr>
<tr>
<td>• Unaffiliated</td>
<td>6%</td>
</tr>
<tr>
<td>• Other Christian</td>
<td>5%</td>
</tr>
</tbody>
</table>

Sources: CIA Factbook, OECD Index, Statistical Data on Switzerland 2015

The Federal Council — the highest decision-making body — is comprised of seven people elected by the Members of Parliament. The five major political parties — the Swiss People’s Party, the Social Democratic Party, the Liberals, the Christian Democratic Party, and the Conservative Democratic Party are all represented on the Federal Council. Each year, the members of the Federal Council rotate the responsibility of serving as President.

Switzerland is well known for its commitment to neutrality and did not participate in either World War I or II. The Red Cross was founded in Switzerland in 1863. Its position as a neutral nation has enabled it to take a leadership
role in humanitarian aid and other efforts, to be an arbitrator in disputes as well as to contribute to the nation’s wealth through its stable currency and banks. Switzerland became a member of the UN in 2002. Switzerland did not join the European Union in 1992, but has chosen to maintain relationships with its European neighbors through bilateral trade and other agreements.

Economics and Employment

Switzerland has a labor force of close to five million (2013). Seventy-nine percent of people aged 15 to 64 have a paid job, higher than the OECD employment average of 65% (Statistical Data on Switzerland, 2015). Switzerland’s economic success depends to a large extent on foreign workers, who currently represent nearly 30% of the labor force. Since the 1960s, their share of the workforce has always exceeded 20%. Foreign workers are particularly important in the industrial and service sectors (in 2012, 30.4% and 22.6% respectively). In 2013, 71.5% of employed foreigners were citizens from an EU or EFTA country, approximately half from Germany or Italy. The educational level of economically active foreigners is generally high; 84% of those who have migrated to Switzerland in the past 10 years have completed upper secondary level or tertiary level education (Swiss Federal Statistical Office FSO, 2015).

Seventy-four percent of women are employed (OECD average of 57%) compared to 85% of men. (Statistical Data on Switzerland, 2015) Seventy-three percent of employees work in the service sector and 23% in industry/manufacturing. About six percent work in banks, insurance companies and other financial institutions (Swissworld.org).

Exports include machinery, chemicals, metals, watches and agricultural products (CIA Factbook). Although Switzerland’s countryside is dotted with picturesque farmhouses and the image of the Alpine farm still dominates Switzerland’s image, agriculture represents less than one percent of the Swiss GDP. Only four percent work in farming.

Almost all businesses in Switzerland are small or medium-sized (SMEs). The 2008 business census found that “more than 99% of enterprises had fewer than 250 full-time workers, employing about two-thirds of the total work force” (Swissworld.org). Many of these businesses are still managed by the families that started them. There are few federal regulations governing business activities, and hardly any labor unions.

Switzerland has the second highest rate of part-time workers of all OECD nations (Swissworld.org). Just over 14% of men and the majority of women work part-time (one to 37 hours/week). Nine out of ten part-time jobs are found in the service industry, where pay is generally lower. In 2014, 86.6% of employed women worked in the service sector versus 64.3% of employed men (Index Mundi).

Swiss per capita GDP is higher than that of the US, Canada, Australia, the UK, Japan, Germany and France (CIA Factbook). Average earnings per year are nearly $55K (US $, 2014, World Bank).

According to the 2015 Natixis Global Retirement Security Index, Switzerland ranks number one for retirement security due to its “high per capita income, strong financial institutions and environment. Switzerland has a mandatory occupational pension system and a well-funded universal health system” (self-paid, not government funded).

The EU, US and neighboring countries have encouraged Switzerland to reform its banking secrecy laws. Switzerland has taken steps to meet these requests such as renegotiating double taxation agreements with various countries according to the OECD standards, and examining whether to tax bank deposits held by foreigners. These changes may transform the general view of Switzerland as a tax haven (CIA Factbook).

The 2008 recession impacted the Swiss economy, although the economy had rebounded somewhat by 2010 (CIA Factbook). However, there are now concerns — new to Switzerland — about unemployment and job security. Two troubling developments are the strong Swiss franc and the political push to limit immigration. Because of Switzerland’s stability, investors flock to the Swiss franc in times of financial insecurity, inflating its value against other currencies. In February 2015, the Swiss National Bank ended its two-year-long efforts to keep the value of the euro against the Swiss franc at 1.2%. The resulting high value of the Swiss franc threatens the Swiss export and tourism industries. In February 2014, the Swiss people passed a referendum to drastically limit immigration, throwing the bilateral agreements with the EU into question.

Swiss Culture and Values

Gender Roles

Swiss society has, until recently, maintained traditional male and female role divisions, reflecting its origins as a largely agrarian society. Only 30 years ago, most women stopped paid employment when they married in order to devote themselves to housekeeping. Swiss men were expected to be able to financially support their wives. Switzerland’s tax system still discourages married
women from working by adding their pay to that of their husbands for tax purposes: this “marriage penalty” often brings them into a higher tax bracket so that the wife’s income is largely cancelled out. As a result, many dual-career couples live together rather than marrying.

Living Patterns

Despite traditional values and views of gender roles, living patterns are changing. While in 1970, 65% of the population lived in a family household with children, in 2012 only 27% of private households belonged to the household type “Couple with child(ren)”. More and more people live alone or as couples without children. Of households with at least one child under 25, 15% are one-parent families and six percent are patchwork families, a result of the high divorce rate.

Most young adults concentrate on their training and career before they start a family. The decision to marry and have children is increasingly made later. The age at first marriage for women has risen from 24 (1970) to 30 (2013) and for men from 26 to 32 years old. Swiss women are among the oldest in Europe at the birth of their first child.

Most couples have only one or two children (average 1.52 in 2013), less than the EU average of 1.58 and the world average of 2.65. (The fertility rate among foreigners living in Switzerland is closer to two children, making the average figure a bit misleading. The rate for Swiss-born parents is lower.)

Most parents cite financial difficulties as the main reason for restricting family size. There is a shortage of affordable childcare and housing is very expensive (Swissworld.org). Switzerland has the lowest home ownership rate in Western Europe, 36.8% (2010), with most people living in apartments rather than houses. Free-standing single family homes, while increasing, are hard to find (New York Times, 2013).

Quality of Life

Switzerland is a fairly regimented society with a large number of rules and regulations governing daily life. Many expats find these restrictive at first, but eventually recognize that they serve the overall well-being of the population. For example, it is forbidden to disturb the peace of the neighborhood on Sundays by, for example, washing the car or mowing the lawn. Neighbors may call the police on violators (often foreigners who are not aware of the law).

The Swiss also value time set aside to rest. The traditional morning break is called Z’nüni — the nine o’clock, and the afternoon break is called Z’vieri — the four o’clock. All workers are expected to take a morning and afternoon break. Lunch is the main meal of the day, and traditionally the entire family of adults and children would assemble at home to eat together. In rural areas, this is still the norm. All firms and businesses dock 45 minutes of employees’ pay for lunch every day. Employees are expected to go to the canteen or a restaurant to eat with colleagues. This is prime relationship-building and networking time. Wolfing down a sandwich at one’s desk is frowned upon. Many shops and businesses close at lunchtime for an hour and a half or two hours. A power nap after lunch is quite common. Afternoon business hours used to be two to six, but working hours have now become more flexible, especially in the larger companies where people clock in and out.

Besides Sundays, quiet time between noon and one pm is honored (e.g., building workers are not allowed to work or make noise) and from 11 pm until seven am. In some apartment blocks, quiet time begins earlier, for example, residents may not run washing machines after nine pm. (Novartis temporary apartments have a circuit breaker installed to enforce this rule, as it’s unfamiliar to expats.)

There are no 24-hour shops and nearly all businesses are closed after 6:30 pm and all day Sundays. Some shops may stay open later depending on local regulations. Supermarkets near major train stations are allowed to stay open later on weekdays and on Sundays.

Switzerland has the most efficient public transportation network in the world. Trams, trains, buses — and in some areas boats and cable cars — can take you to virtually any destination you choose. Many people do not own cars. Car sharing companies are widely used. Within cities, bicycling is often the fastest way to get around and is very popular.

The Swiss are very “conservative” in the sense of honoring their traditions and being very wary of and slow to change. This can make Switzerland feel old-fashioned, but the quality of life is highly valued. Things move more slowly and life is quieter.

Women in the Workforce

Although public support for combining family and career is low, increasing numbers of women, including mothers, are entering the workforce. In most families both parents work, whether out of financial necessity or because fewer women want to give up their professional life. However, because the main responsibility for bringing up and looking after children is still borne by women, most work part-time while fathers generally work full-time (Swiss Federal
Limited Childcare

The provision of comprehensive childcare, central to managing parenthood and career is comparatively low in Switzerland. Unlike many neighboring countries, there is no national-level legal entitlement to a childcare place in Switzerland. The numbers of very young children in formal childcare are especially low, with only 12% of zero to three year-olds enrolled in formal care in 2010. Childcare costs in Switzerland are high, even relative to Switzerland’s high income. The average salary of a mother working three days a week is swallowed by childcare costs and additional taxes, often resulting in a lower net household income. The shortage and high cost of childcare facilities has been linked to the low levels of fertility in Switzerland, compared to the relatively high fertility levels in a country such as France that has extensive formal childcare provisions (Bonoli, 2008).

To improve the conditions for combining a family with a career, a Federal Law on Financial Support for Childcare was enacted in 2003. This 12-year incentive program with a budget of 440 million Swiss francs ($480 Million US) provides funding to public and private childcare centers and after-school facilities which are new or which already exist but have significantly increased the number of available places. As of 2013, there were more than 2,000 childcare centers (crèches) in Switzerland, according to the Swiss Crèche Association (KiTaS). About 90% of these are private, financed primarily by parents’ contributions, though there is usually some government subsidy, mostly based on financial need.

Four in 10 households (42%) rely on grandparents for childcare support, regardless of the children’s age, making grandparents the most commonly used childcare resource. This reflects the widely held belief that if children cannot be cared for by their mother, the next best solution is a family member.

The public school system has very high standards but presents an additional challenge to dual-career parents as it is based on the assumption that there is a stay-at-home parent. Primary schools do not have kitchens or cafeterias and do not serve midday meals. Children are expected to go home during the long lunch break. Kindergarten and primary schools have afternoon sessions only two days a week and there is generally no study supervision or after-school care. In a few urban areas such as Basel-City, the authorities are working to improve the situation by having standardized school hours and offering lunch and after-school programs (with a charge to parents).
Some municipalities support childcare facilities because they want to attract foreign workers to the area. Larger companies such as the Swiss Post, ABB, Credit Suisse, Novartis and Roche, and some institutions such as universities, hospitals and local governments have created their own childcare centers.

Dual-career families, both locals and expats, frequently choose private childcare, such as au pairs or nannies, and private schools which offer a full school day. International schools, both monolingual (English, German or French) and bilingual (German/English or French/English) can be found in all of the urban areas of Switzerland. Many of these are subsidized by nearby multinational firms. Expat (both international assignees and local hires) children’s school fees are sometimes partially or completely paid by the companies.

**Talent in Switzerland**

The International Institute for Management Development (IMD) World Talent Ranking of 60 countries evaluates how a country is able to “develop, attract and retain talent for companies that operate there.” Three major factors are considered:

1. “Investment and Development”: Quality of the educational system
2. “Appeal”: Ability to attract out-of-country talent, and to retain local workers
3. “Readiness”: Availability of talent to meet skills required by employers

Switzerland tops the list of the 2014 IMD World Talent Ranking followed by Denmark, Germany, and Finland. It also comes in first for “Appeal” and “Readiness” and second, after Denmark, for “Investment and Development.” The ranking is based on a survey of 4,300 international executives and more than 20 additional indicators. It also has a historical database that provides 10 years of rankings (2005-2014). Switzerland, along with Canada and Denmark, are the only three countries “ranked in the top 10 every year from 2005 to 2014.”

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Switzerland is ranked as the number one country by expats looking for a well-balanced, high quality lifestyle, followed by Singapore, China, Germany and Bahrain in a 2014 HSBC survey of thousands of people around the world.

The country’s youngest workers place a high value on work-life balance and organizations will need to continue to offer support and policies to attract and retain this emerging talent (Randstad, 2015).

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### What matters to young people in Switzerland?

For the Youth Barometer 2013, the Credit Suisse bank and the GfS Bern polling and research institute posed the following question to 1000 young people aged between 16 and 25 in Switzerland, the USA, Brazil and Singapore.

**Is work-life balance important to you?**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>82%</td>
</tr>
<tr>
<td>Brazil</td>
<td>77%</td>
</tr>
<tr>
<td>Singapore</td>
<td>72%</td>
</tr>
<tr>
<td>United States</td>
<td>65%</td>
</tr>
</tbody>
</table>

*Source: Credit Suisse Youth Barometer 2013*

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### Promising Employer Practices

In summary, Switzerland is a highly attractive place to live and work. In order to continue to attract both local and foreign talent, the country’s employers are expanding practices that promote employee well-being, development and diversity.

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### Syngenta

As part of The Good Growth Plan, Syngenta is committed to looking after every worker, including its own. Recognizing the demands on employees today, Syngenta provides flexible working hours, telecommuting, and assistance for employees and their family members 24/7 for private, health and work-related support. Talent Development promotes diversity, for example, through an accelerated leadership development program for women. Teams reflect the diversity of customers, the markets where the company operates and the communities it serves. Syngenta has a strong collaborative and supportive culture and engagement programs to connect employees with Syngenta’s purpose to bring plant potential to life.
Actelion’s ongoing efforts to improve employees’ health and well-being include programs such as stress management, mindfulness, onsite massages, flu shots, and skin checks. In November 2014, a modular online health portal (“myChange”) was launched at headquarters in Switzerland to help colleagues gain more energy, improve concentration and enhance creativity.

Under the headline “Boost performance with a short nap,” Actelion now offers recreational rooms at the HQ in Switzerland. In different locations, employees find EnergyPods and recreational loungers in private cubicles to use freely during the working day. This initiative was based on research that shows that a short mid-day rest improves alertness by 30% above baseline. Other documented benefits from napping are: better mood, increased insight and improved learning through memory retention, and a 37% lower chance of developing cardiovascular disease.

UBS

In light of the demographic transformations occurring in society, ongoing training and further education are gaining in significance. UBS places great emphasis on the importance of investing in the further education of experienced employees. Out of the 22,525 employees working in Switzerland, some 8,300 persons are aged 45 and over.

This is why “lifelong learning” was launched at the beginning of 2013 as part of the UBS Education Initiative. Over the last two years, more than 1,300 employees aged 45 and over took advantage of the further education courses.

The lifelong learning initiative includes six modules: an assessment of the participants’ careers, self-branding and networking, MS office, language courses, trainings in new media and a dialogue between the generations.

Lifelong learning is an important pillar of the UBS learning and development strategy and will be continued in the future.

Migros Geneva

Migros Geneva retains its employees by using a three-pronged approach:

- **Flexibility** — Migros offers more than 300 types of full-time and part-time jobs and employees can apply for jobs in different sectors. Learning skills for a new career is encouraged. Since there are many different Migros locations, employees can request to be moved to another store if this fits their needs better.

- **Lifelong learning** — Migros encourages employees to take advantage of training or classes, both for personal and professional learning, and even provides them with CHF 10,000 (approximately $11K US) to do so.

- **Health** — Migros encourages all employees to be more aware of and attentive to their health, and is well aware of the unique concerns of older workers. Employees are offered free screening services on-site at least once a year, as well as optional health checkups at a local private hospital. At age 50, employees can take one additional week of vacation.

(Adapted from International Labor Organization.)

Novartis

Novartis employs more than 13,000 associates from more than 100 different countries in Switzerland, 43% of them women and 57% men. Novartis ensures a multicultural work environment and offers many benefits to their associates such as:

- **Family-friendly benefits:** Flexible working hours, telework, part-time work, flexible planning of absences.

- **Parental leave:** In addition to paid maternity leave of up to 18 weeks, parents are offered the option of unpaid leave of up to one year. For fathers, six days paternity leave is granted. For parents who are adopting a child, eight weeks paid and additional unpaid adoption leave is granted.

- **Parental coaching workshops:** Coaching is offered to new parents at Novartis including a “pre-maternity” workshop for female associates about to take maternity/adoption leave, a “post-maternity” workshop for mothers who have returned to work and a “new fathers” workshop for male associates.

- **Novartis daycare centers in Basel and Stein:** Novartis offers daycare places for associates based at Basel and Rhine Valley sites. Four of the centers are located close to the Campus and the Klybeck site. A fifth center is located in Stein.

- **Nationwide program of family support:** Novartis offers a nationwide support program for families, which includes childcare, eldercare and homecare. In addition, short-term childcare placement is offered if a child is sick.

- **Learn for Life:** Besides continuous learning and development offers for associates Novartis is also supporting with the Learn for Life initiative the general development of the understanding and attractiveness of natural science. Learn for Life supports learning events from primary school to graduate and post-graduate programs as well as adult learning for all generations.
Outlook and Recommendations

Switzerland will need to apply its innovative energy to keep its high rankings and economic prowess.

To maintain its high level of competitiveness and its ability to attract talent, the Institute for Management Development (IMD) advises Switzerland to:

1. Encourage the immigration of foreign workers.
2. Ensure sufficient qualified workers.
3. Offer social policies that encourage and support working mothers, particularly with more than part-time employment.
4. Provide supports for older workers to ensure their continued workforce participation.

The OECD has proposed several measures to enable more women in Switzerland to pursue a career.

1. Increase the availability of childcare while reducing its cost.
2. Eliminate the “marriage penalty” tax which punishes dual-income couples and allow for the possibility of individual tax assessment.
3. Create a corporate governance code to establish gender goals in management roles as well as on Boards of Directors.

Change happens slowly in Switzerland, but the country seems poised to make better use of its still largely untapped resource of educated women. The larger, multinational companies will need to recruit Swiss women to fill positions now held by foreign workers when immigration becomes restricted. And, with greater childcare options, more women will also be encouraged to start their own businesses, building on an already positive trend. Whether as effective employees, in board positions or running their own businesses, women will play an important role in Switzerland’s continued success. Engaging and retaining Millennials, who highly value a positive working atmosphere, sufficient leisure time and compatibility between family and career, will also be critical to Switzerland’s ongoing prosperity.