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## Company Survey on Demand for/Lack of Skilled Labour in Austria in 2019

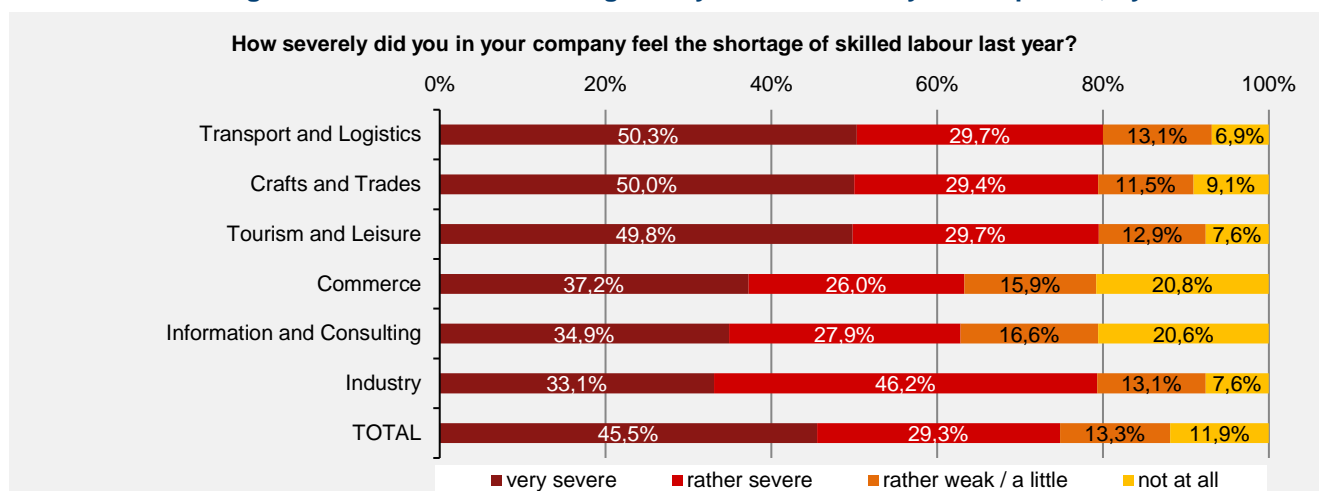
The results of an Austria-wide survey among more than 4,600 companies (Skilled Labour Radar - Part II) commissioned by WKO show that skilled labour shortage has also risen again in almost all parts of the Austrian economy in 2019: 46% of companies are already suffering from a very severe, another 29% from a rather severe shortage of skilled labour. The skilled labour shortage is experienced particularly intensely in construction, tourism, artisanal/technical fields, medium-sized companies, and in the west of Austria. Broken down by educational attainment, it is particularly difficult to fill vacancies with apprenticeship graduates.

A total of 88% of more than 4,600 surveyed companies (WKO member companies) stated they had (at least) felt the shortage of skilled labour last year (date of survey: April 2019), 46% even very strongly. This share was particularly high (50% each) in the sectors of Transport and Logistics, Crafts and Trades, and Tourism and Leisure (see Diagram 1).

65% of current vacancies for skilled labour have already been vacant for more than 6 months. Last year, the number and quality of applications also fell significantly, and

DIAGRAM 1:

### Assessment of the degree of skilled labour shortage last year in the surveyed companies, by sector



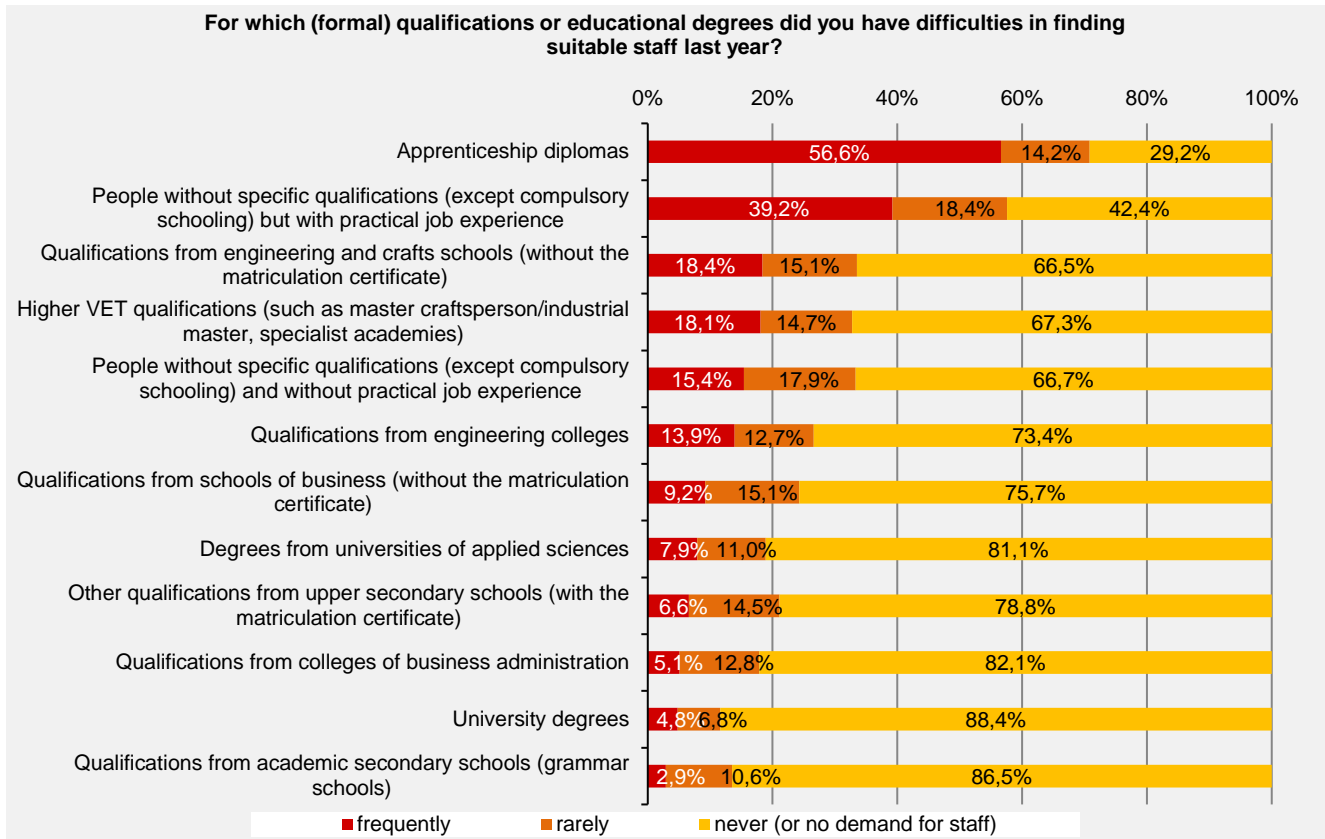
Source: WKO company data on the basic population; ibw Company Survey on Demand for/Lack of Skilled Labour in 2019 (n = 4,613 companies; conducted: April 2019). N.B.: The results for the banking and insurance sector are not included here because the number of cases is too small.

There is **particular demand for apprenticeship graduates** (cf. Diagram 2). Last year, 57% of companies with a noticeable shortage of skilled labour often had difficulties in finding employees with apprenticeship diplomas (only 8% for degrees from universities of applied sciences and 5% for university degrees). The situation was additionally

exacerbated by the decline in the number of apprentices (mainly due to demographic reasons) in the years before 2018. However, this is by no means due to a lack of willingness on the part of Austrian companies to provide in-house vocational training.

DIAGRAM 2:

**Qualifications or educational degrees for which companies had difficulties in finding suitable staff last year** (among those n = 4,064 (88.1% of) companies that stated they had felt a shortage of skilled labour at least to a minor extent last year)



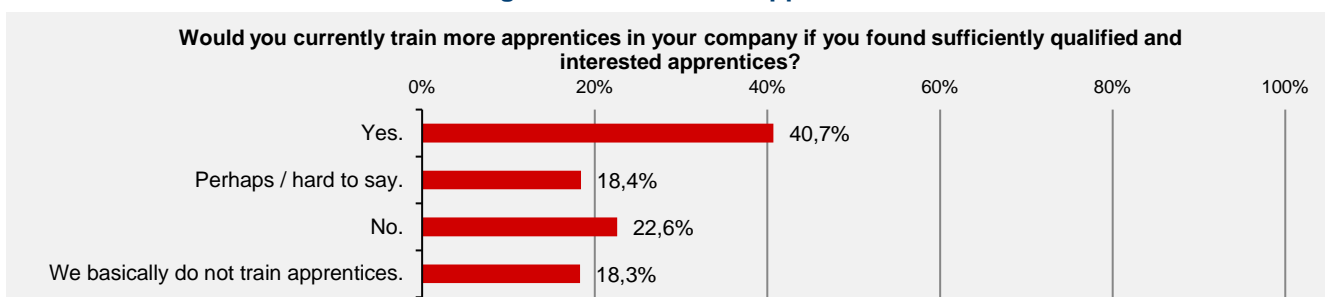
Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2019 (n = 4,613 companies; conducted: April 2019).

On the contrary: **Around half of the companies** (41% definitely, another 18% perhaps) **would train a greater number of apprentices** if they found sufficiently qualified and interested young people for their jobs (cf. Diagram 3). Among those companies which in principle train

apprentices, as many as 50% definitely wanted to train more apprentices and 23% perhaps. The occupations with the greatest recruitment/staffing difficulties mentioned most frequently by the companies surveyed were cooks, followed by drivers (cf. Diagram 4).

DIAGRAM 3:

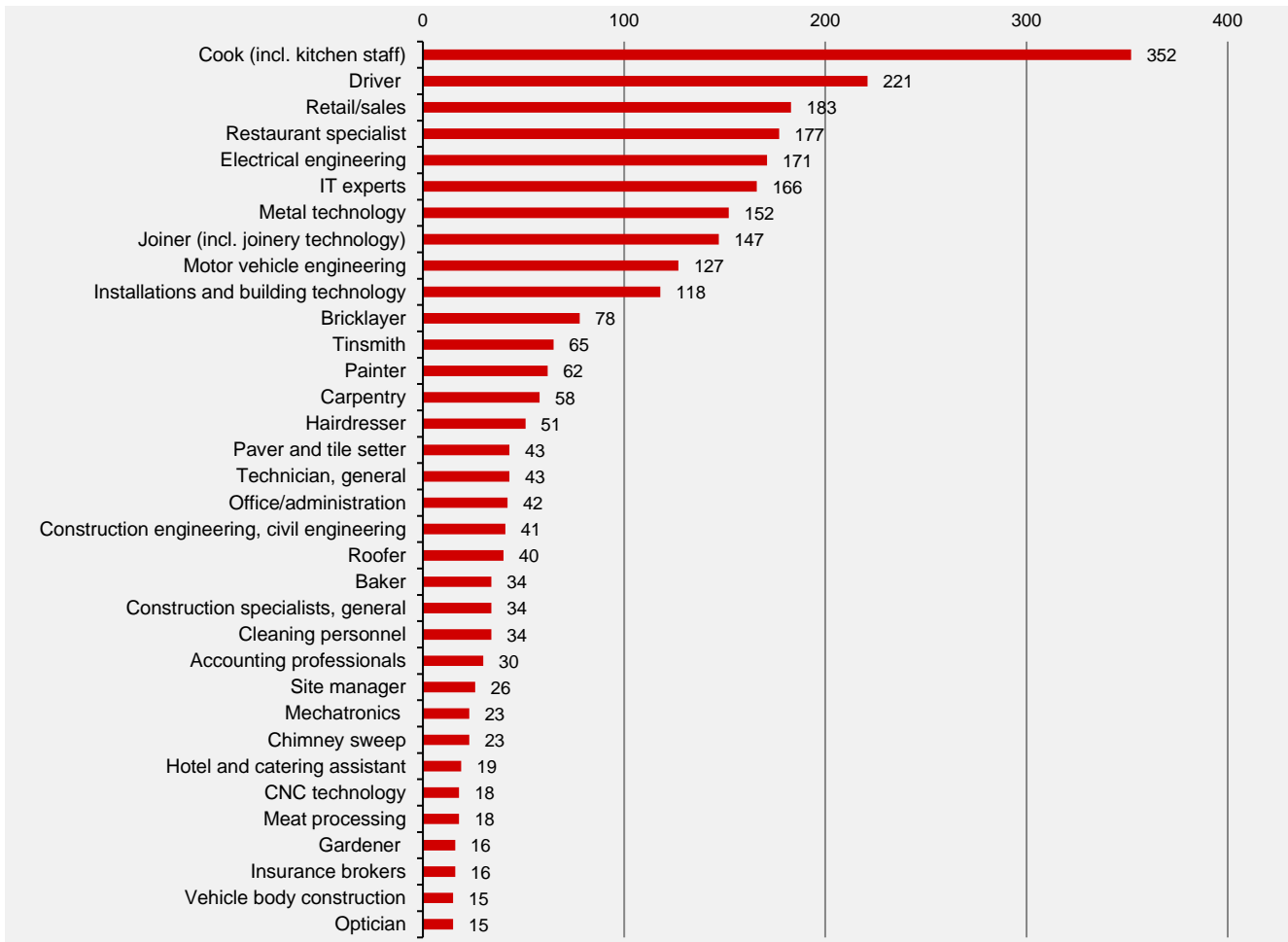
**Willingness to train more apprentices**



Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2019 (n = 4,613 companies; conducted: April 2019).

DIAGRAM 4:

**Occupations with the greatest recruitment/staffing difficulties**  
(occupations first mentioned, by number of companies)



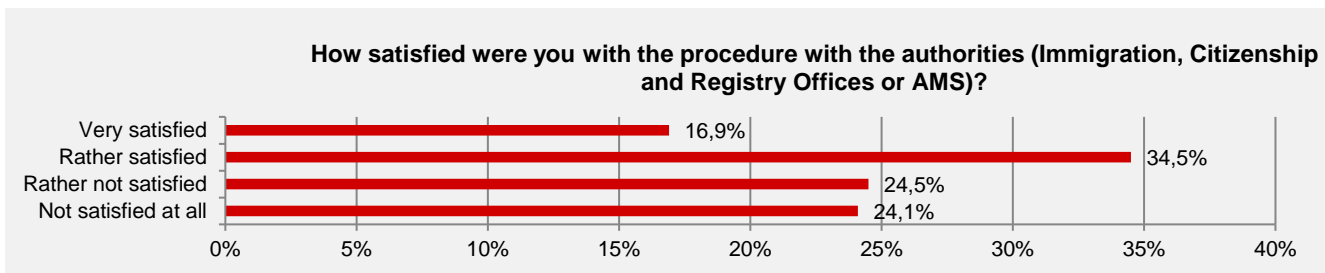
Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2019 (n = 4,613 companies; conducted: April 2019)  
Data basis: n=4,064 companies (88.1%) which felt the skilled labour shortage at least to a minor extent/a little last year.

12% of all companies have had experience with the **Red-White-Red Card**, which facilitates employment of skilled workers from third countries (i.e. non-EU countries). However, only about half of these companies (51%) were

satisfied with the associated administrative procedure (the Immigration, Citizenship and Registry Offices and Public Employment Service (AMS)) (see Diagram 5).

DIAGRAM 5:

**Satisfaction with the procedure for applying for the Red-White-Red Card** (among those n=541 (11.9%) of companies that have already had experience with the Red-White-Red Card)



Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2019 (n = 4,613 companies; conducted: April 2019)

The **effects of the skilled labour shortage** mainly have an impact on the companies' bosses and their family members (86%) as well as their current staff members, who also need to make up for insufficient staffing by taking

on a greater workload (85%) and working more overtime (69%) (see Diagram 6). In around 59% of the companies which felt the lack of skilled labour last year, this also led to **drops in sales** (such as due to turndown/cancellation

of orders, restrictions in the service portfolio, less marketing, less effort to acquire new orders/customers, etc.). At the same time, however, **expenses for searching for staff (78%), salaries (72%) and providing qualifying measures/continuing education and training (61%)** increased. As a result of the skilled labour shortage, less qualified applicants also often need to be recruited (64%) and the possibilities of innovation and the development of new products are restricted (49%). Subsequently, the **quality of products and services deteriorates** considerably (47%), which in turn leads to higher costs in the medium and long term (such as for repairs/complaints).

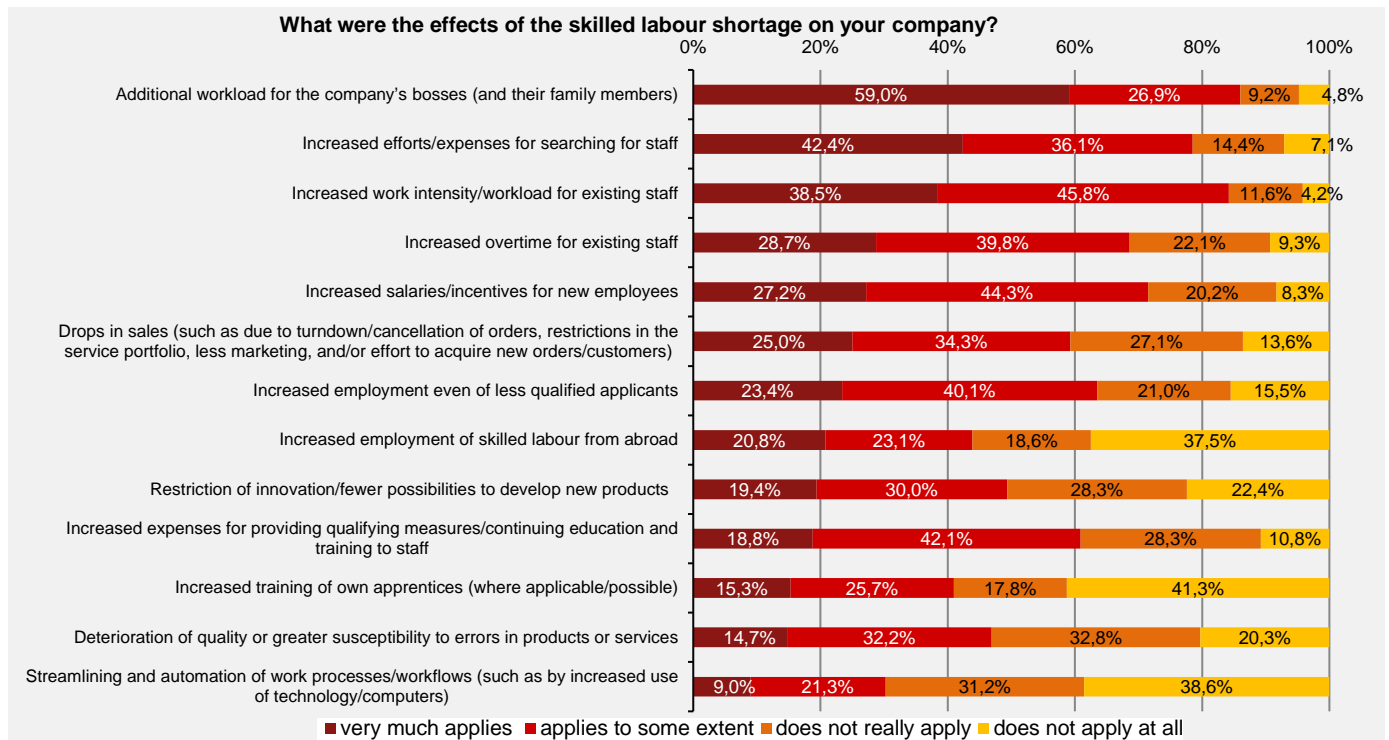
**83% of companies fear a further worsening/escalation of the skilled labour shortage in their sector over the next 3 years** (60% even expect a strong increase). The strong decline in the number of apprentices, which is already a longer-term development, and the upcoming retirement of the baby boom generation (born between 1955 and 1969) probably confirm this assumption even if the economic development stagnates.

**Overall**, the results of the company survey show that the shortage of skilled labour in the spring/summer of 2019 is already noticeable in almost all Austrian companies (88%), that it increases the workload of entrepreneurs, their family members and current employees, that it jeopardises the quality of service provision and customer satisfaction and also leads to significant losses in the economic success of Austrian companies (lower turnover and higher costs). Compared to the previous year's survey (2018), the shortage of skilled labour has increased once again and will probably continue to intensify in the coming years merely due to demographic reasons.

Not only Austria's position in international investment- and location-related decisions (establishment of companies), but also the overall long-term and sustainable success of Austria as a business location, including the funding of public sector budgets, will therefore depend on the extent to which the imminent further rise in the shortage of skilled labour in Austria can be stopped.

DIAGRAM 6:

**Effects of the skilled labour shortage on companies** (among those n = 4,064 (88.1%) companies that stated that they had felt a shortage of skilled labour at least to a minor extent last year)



Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2019 (n = 4,613 companies; conducted: April 2019).

Source: Dornmayr, Helmut / Rechberger, Marlis (2019): Unternehmensbefragung zum Fachkräftebedarf/-mangel 2019, Fachkräfte radar 2019 - Teil II (Company Survey on Demand for/Lack of Skilled Labour in 2019, Skilled Labour Radar 2019 - Part II), ibw Research Report no. 198 commissioned by WKO, Vienna.

The entire study can be downloaded from <https://ibw.at/bibliothek/id/508/> (in German)