

Demand for/Lack of Skilled Labour in Austria in 2021

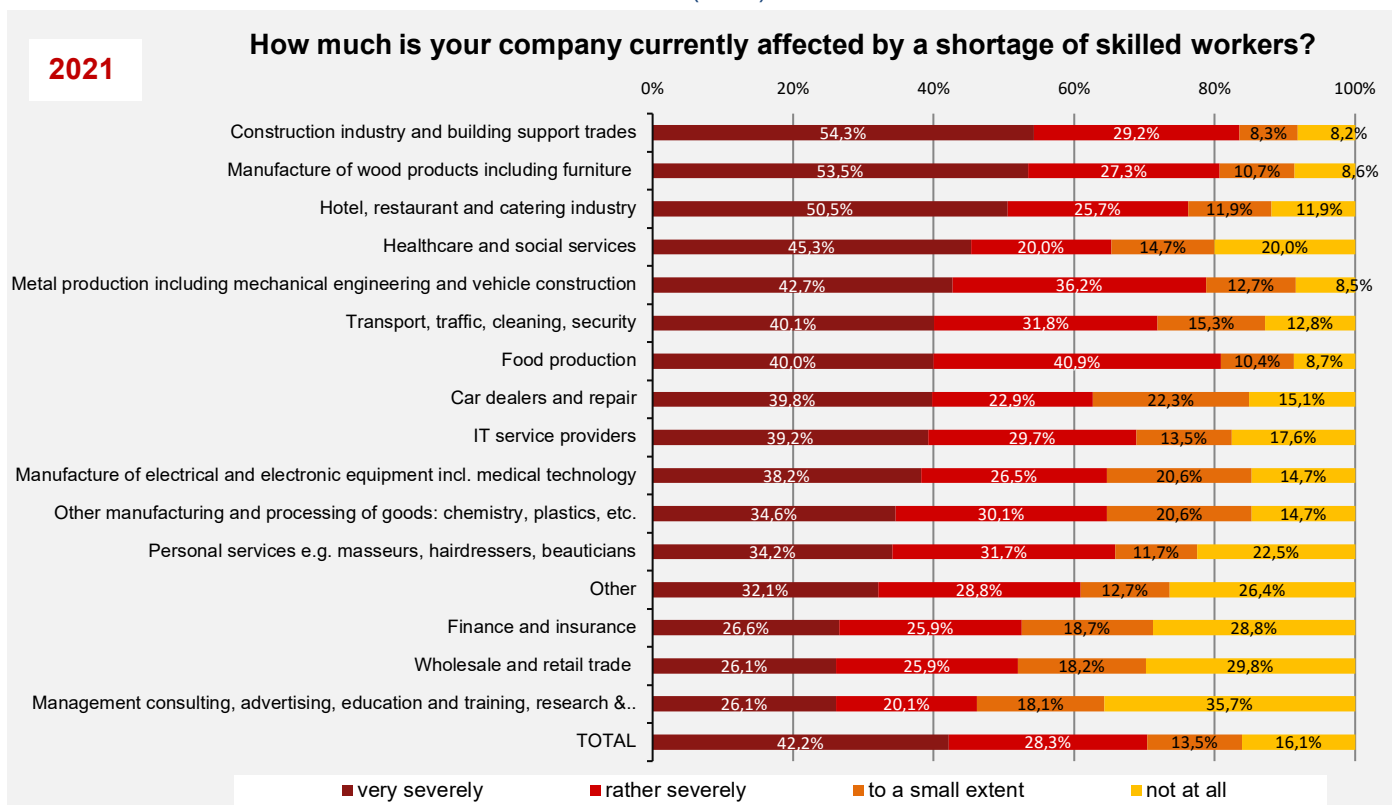
The results of an annual Austria-wide survey of more than 4,200 companies ('Skilled Labour Radar') commissioned by the Austrian Federal Economic Chamber (WKO) and conducted in May/June 2021 show that large parts of the Austrian economy are severely affected by the shortage of skilled workers despite repercussions of the 'Corona crisis': 70% of the companies suffer from a (very or rather) severe shortage of skilled workers (42% of them from a very severe shortage). In absolute figures, it can even be assumed that the shortage of skilled workers in Austria is already at a new 'all-time high'. Extrapolated to the whole of Austria, it can be assumed that there was an estimated demand for skilled labour (vacancies) of around 221,000 people (among all WKO member companies) at the time of the survey in May/June 2021.

Despite repercussions of the 'Corona crisis', it can be assumed that in May/June 2021 the **shortage of skilled workers in Austria** was already at a new 'all-time high' (at least since the 1950s, i.e. since there have been reliable data). Extrapolated to the whole of Austria, it can be assumed that there was an estimated **demand for skilled labour (vacancies) of around 221,000 people** (among all WKO member companies) at the time of the survey in

May/June 2021 - this corresponds to a total of around 44,000 (+25%) more than in September 2020 and is also clearly above the 'pre-Corona level' (+14,000 compared to April 2019). The number of job vacancies registered with Public Employment Service Austria or AMS (analysed starting from 1950) was also at a new 'all-time high' (around 109,000) at the end of June 2021.

DIAGRAM 1

Assessment of the degree of skilled labour shortage in the surveyed companies at the time of survey, by sector (2021)



Sources: ibw Company Survey on Demand for/Lack of Skilled Labour in 2021 (n = 4,272 companies; conducted in May/June 2021); N.B.: The category 'Other' is mainly made up of the following branches/sectors: hiring out of staff/temporary employment, funeral services, services of a general nature, energy supply, event management, real estate, arts & culture, chimney sweeps and multi-industry enterprises.

At the time of the survey in May/June 2021, 70% of the companies registered vacancies for skilled workers.

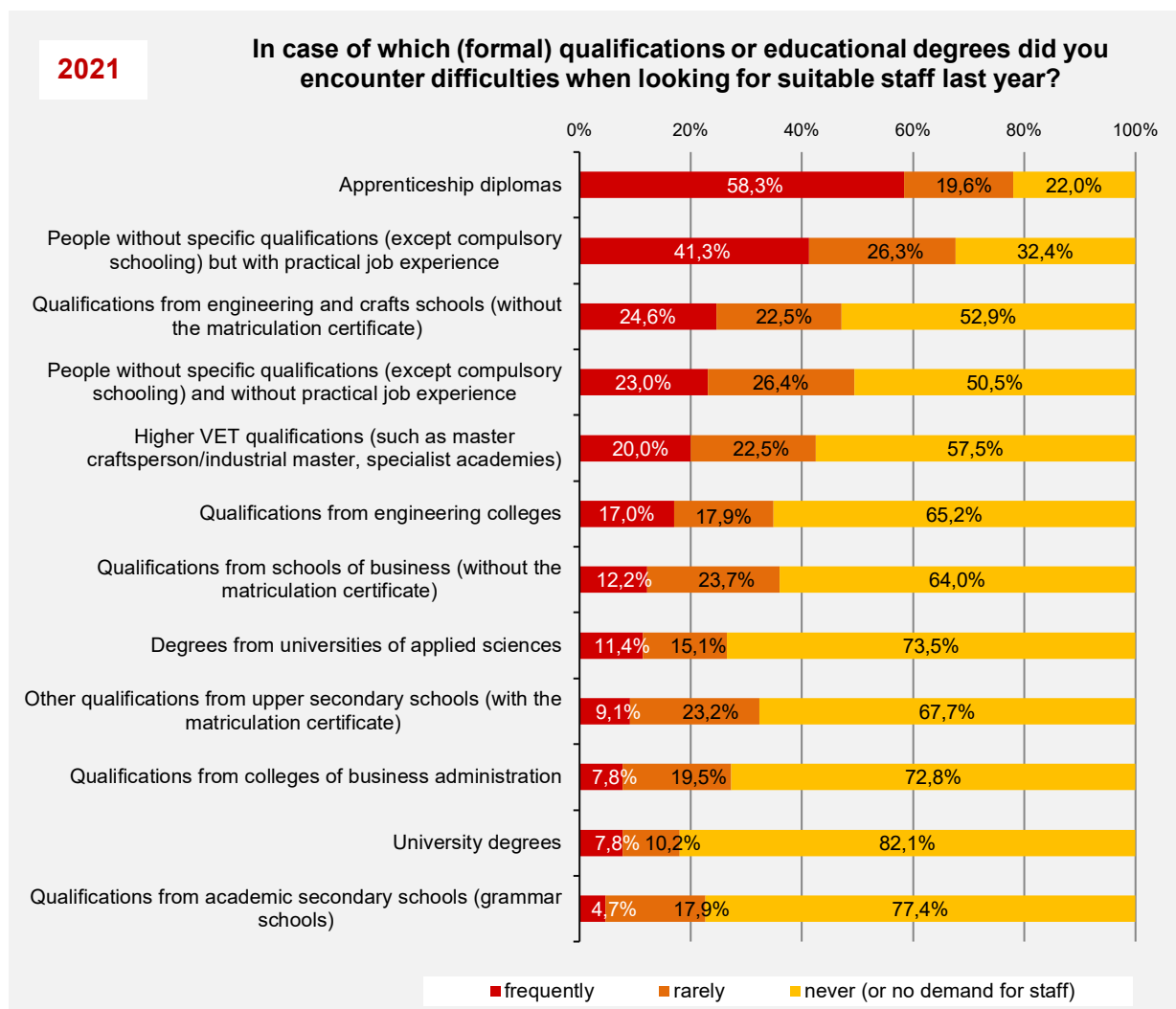
42% of the companies are suffering from a **very severe**, another 28% from a rather severe **shortage of skilled labour**. Overall, **84%** of the more than 4,200 companies (member companies) surveyed on behalf of the Austrian Federal Economic Chamber (WKO) stated that they are currently **affected** by the **shortage of skilled workers** (at least in one form or another), with 70% of them affected very or rather severely (time of survey: May/June 2021). The shortage of skilled workers is experienced **particularly intensively in construction** (83.5%), in the **manufacture of wood products** (80.8%), in **tourism** (74.4%) and in the **artisanal and technical sector as a whole**.

Broken down by occupational groups, companies encountered particular difficulties in their search for suitable skilled labour in artisanal occupations (the crafts) (46%), followed by technicians outside the IT area (23%) and staff for the hotel, restaurant and catering sector (18%).

The most frequent and greatest recruitment difficulties relate to apprenticeship graduates, not least because the absolute and relative number of workers with apprenticeship qualifications has been declining for years. Last year, 58% of the companies with a noticeable shortage of skilled labour often had difficulties in finding employees with apprenticeship diplomas (only 11% for degrees from universities of applied sciences and 8% for university degrees).

DIAGRAM 2

Qualifications or educational degrees where companies encountered difficulties finding suitable candidates last year
(among those n = 3,585 (83.9%) companies which stated they at least weakly felt a shortage of skilled labour last year)



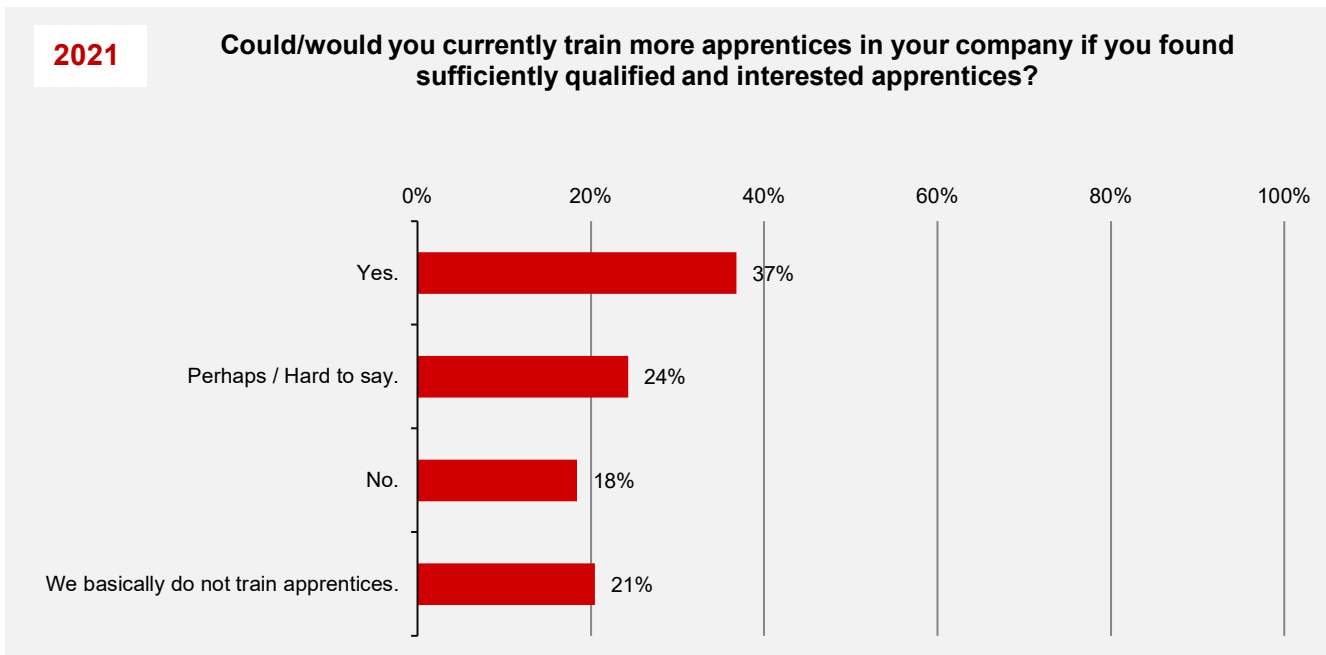
Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2021 (n = 4,272 companies; conducted in May/June 2021)

But this is not the result of a lack of willingness to provide training on the part of Austrian companies. On the contrary: around half of the companies (37% definitely, another 24% perhaps) could/would train a greater number of

apprentices if they found sufficiently qualified and interested young people for their jobs. Among those companies which, in principle, already train apprentices, as many as 46% definitely wanted to train more apprentices and 31% perhaps.

DIAGRAM 3

Willingness to train more apprentices
(ALL companies)



Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2021 (n = 4,272 companies; conducted in May/June 2021)

The skilled labour shortage mainly has an impact on the companies' bosses and their family members (88% stated that this very much applies or applies to some extent) as well as their current staff members, who also need to make up for insufficient staffing by taking on a greater workload (86%) and working more overtime (71%). In around 63% of the companies which felt the lack of skilled labour at least weakly, 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 (80%), salaries (73%) and providing qualifying measures/continuing education and training (63%) increased.

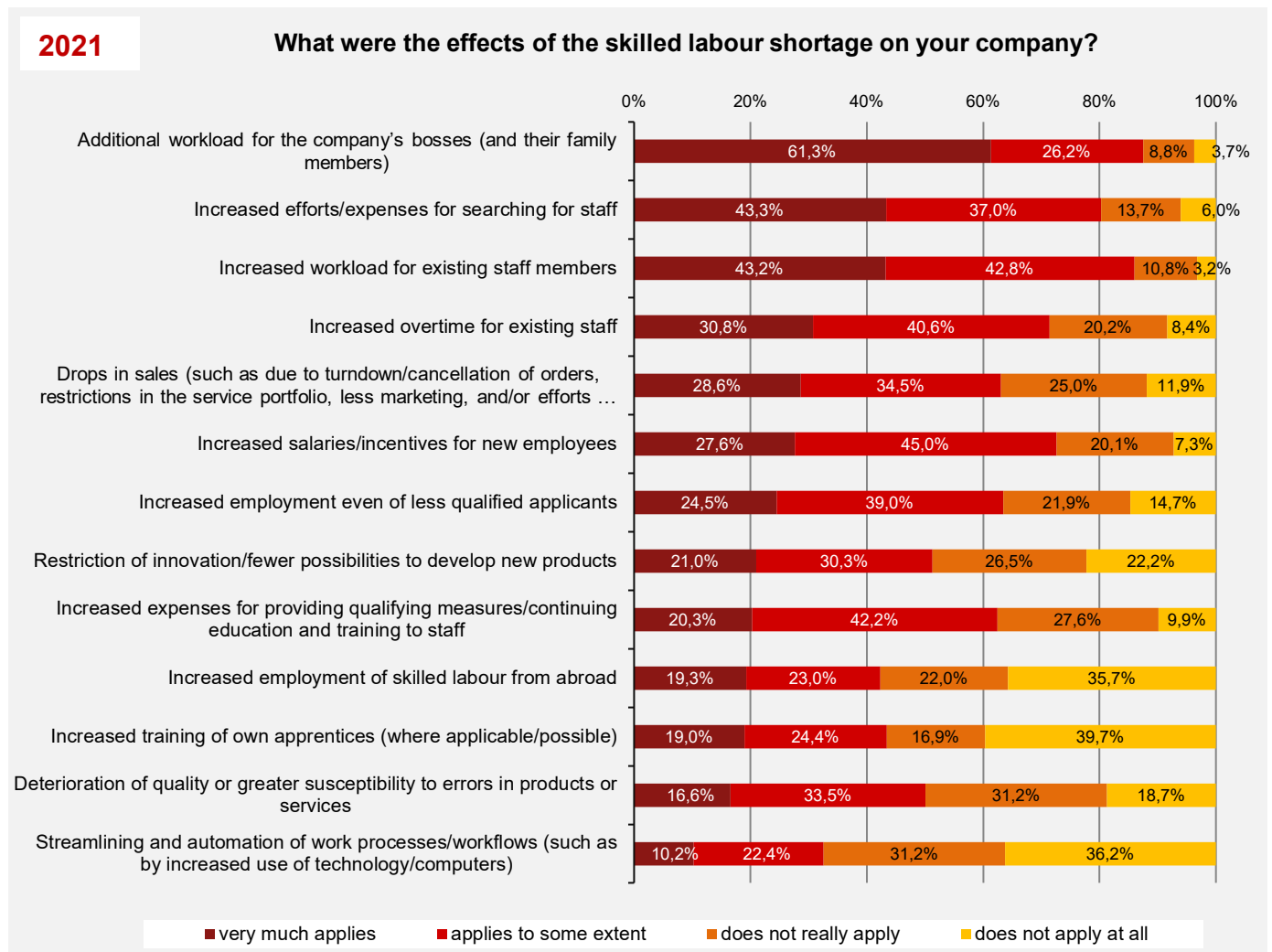
As a result of the skilled labour shortage, less qualified applicants also often need to be recruited (73%) and the **possibilities of innovation and the development of new products are restricted (51%)**. Subsequently, the **quality of products and services deteriorates** considerably (50%), which in turn leads to higher costs in the medium and long term (such as for repairs/complaints).

79% of the surveyed companies expect/fear a further worsening/escalation of the skilled labour shortage in their sector over the next 3 years (59% even expect a strong increase).

DIAGRAM 4

Effects of the skilled labour shortage in the companies

(among those n = 3,585 (83.9%) companies which stated they were affected at least to a small extent by a shortage of skilled labour)



Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2021 (n = 4,272 companies; conducted in May/June 2021)
 N.B.: The order of the items in the online questionnaire was automatically rotated to prevent any bias.

Overall, the results of the company survey show that in May/June 2021, despite the 'Corona crisis', the **shortage of skilled labour** reached a new **peak** (around 221,000 vacancies for skilled labour among all WKO member companies), which is already noticeable in the majority of Austrian companies (84%), 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). Since it is to be feared that the shortage of skilled workers will continue to worsen in the coming years for demographic reasons alone, there is an urgent need for action. Because 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 depend on the extent to which an even greater shortage of skilled labour in Austria can be stopped.

Source:

Dornmayr, Helmut / Riepl, Marlis (2021): Unternehmensbefragung zum Fachkräftebedarf/-mangel 2021, Fachkräftenradar 2021 (Company Survey on Demand for/Lack of Skilled Labour in 2021, Skilled Labour Radar 2021), ibw Research Report no. 207 commissioned by WKO, Vienna.

