

HELMUT DORNMAYR

Apprentices and skilled workers urgently needed Results of the ibw study “2023 Survey of Apprenticeship Training”

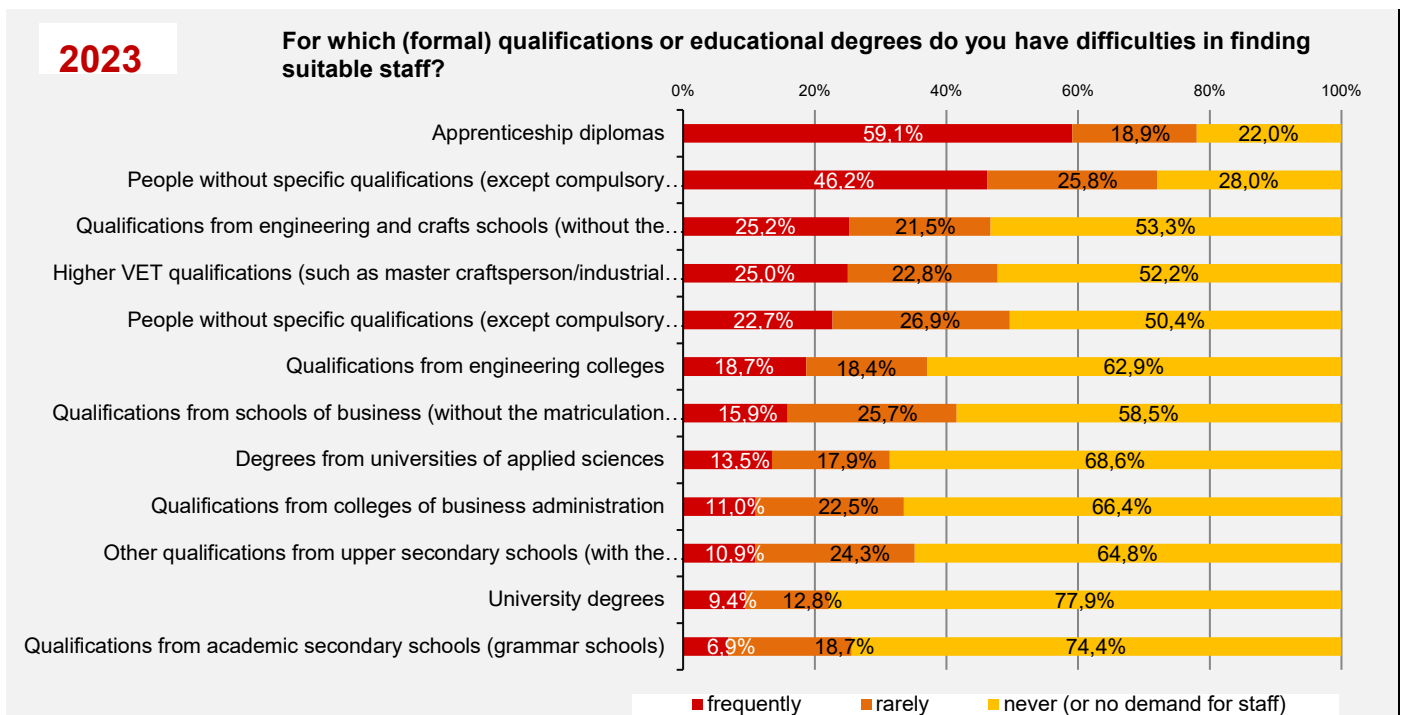
The number of apprentices in their first year has recovered from the slump caused by the COVID-19 pandemic. Apprentices and skilled workers with an apprenticeship diploma are urgently needed, and a further rise in the shortage of skilled workers is to be feared. These are a few of the large number of findings revealed by the current issue of the annually published ibw publication “Survey of Apprenticeship Training”, which pursues the objective of presenting all relevant and available statistical data and indicators on apprenticeship training in Austria on around 200 pages.

Skilled workers shortage

At the level of qualifications, the most frequent and **greatest recruitment difficulties** (in April/May 2023) **relate to apprenticeship graduates** (cf. Diagram 1), not least because the absolute and relative number of workers with apprenticeship qualifications has been declining for years (cf. Diagram 2). 59% of over 4,000 member companies

which were interviewed on behalf of WKO and are experiencing a noticeable shortage of labour and skilled workers often have difficulties in finding employees with apprenticeship diplomas (only 14% for degrees from universities of applied sciences and 9% for university degrees).

Diagram 1 Qualifications or educational degrees for which companies have difficulties finding suitable staff
(among those n = 4,193 (81.8%) companies that stated they were affected by a shortage of labour and skilled workers)

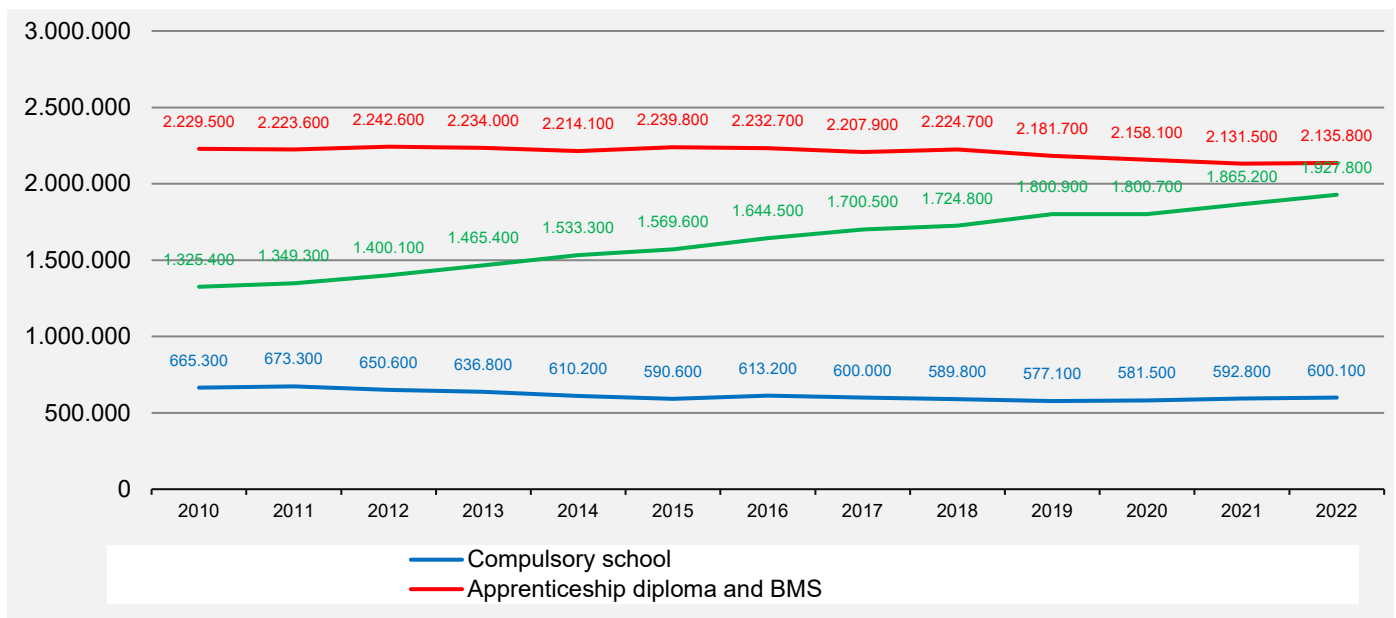


Sources: ibw Company Survey on Demand for/Lack of Labour and Skilled Workers in 2023 (n = 5,124 companies; conducted in April/May 2023)
Published in: Dornmayr, Helmut / Riepl, Marlis (2023): Unternehmensbefragung zum Arbeits- und Fachkräftebedarf/-mangel 2023, Arbeitskräfte-radar 2023 (Company Survey on Demand for/Lack of Labour and Skilled Workers in 2023, Labour Radar 2023), ibw Research Report no. 215
commissioned by WKO, Vienna

With regard to the demand for 'intermediate' qualifications, it should be noted in particular that the number of people in the workforce (employed and unemployed) with a diploma from an apprenticeship or a school for intermediate vocational education (BMS) as their highest educational attainment has declined in recent years (at least since 2018) (see Diagram 2), even though this qualification level still comprises by far the largest group of people in the workforce. Since 2010 (and even before), however, the number of people in the workforce with higher and tertiary educational qualifications has risen sharply (with an increase of around 600,000 people in the workforce by

2022). From a demographic perspective, it should also be noted that the increase in the Austrian workforce has *de facto* for many years been based almost exclusively on immigration. However, only very few immigrants have an apprenticeship qualification, not least because apprenticeship training in this form exists almost exclusively in German-speaking countries. In addition, a particularly large number of apprenticeship graduates will reach retirement age in the next few years because the proportion of apprenticeship graduates among the older working population is (still) higher.

Diagram 2 Workforce by highest educational attainment
(according to the microcensus labour force survey)



Source: Statistics Austria (microcensus labour force survey) + ibw calculations

Training companies

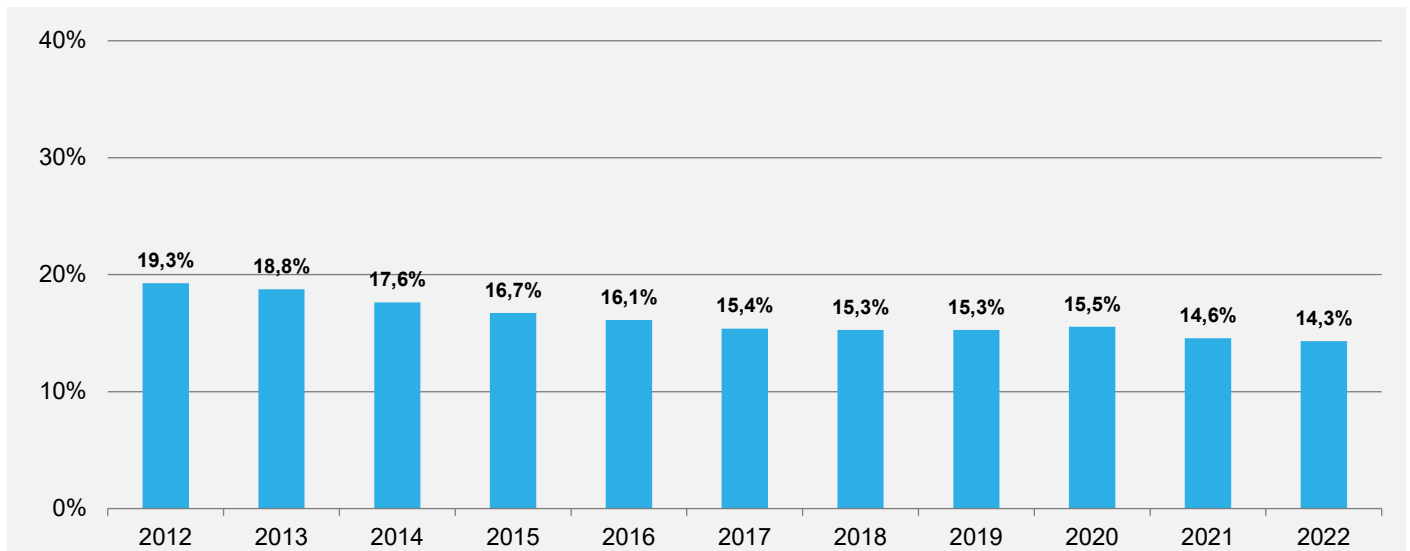
The share of training companies in all companies with employees among the WKO member companies (training company ratio) is falling relatively continuously (cf. Diagram 3). In 2022, only 22,328 (14.3%) of all 156,002 companies with employees (within the WKO) trained apprentices, 10 years ago (in 2012) this proportion was still 19.3%. One of the main reasons for this decline is undoubtedly the increased difficulty of (especially) small companies in finding suitable apprentices for their apprenticeship posts.¹ The share of apprentices in small companies has therefore been falling continuously for many

years (cf. Diagram 4). In any case, many companies would be very willing to train (more) apprentices. A recent survey² of over 5,000 WKO member companies shows the following results: more than half (52%) of the companies could imagine training more apprentices (34% definitely and another 18% perhaps) if they found sufficiently qualified and interested young people for their vacancies. Among those companies which, in principle, already train apprentices, as many as 68% (44% definitely and 24% perhaps) wanted to train more apprentices.

¹¹¹ Cf. also for example: Dornmayr, Helmut / Lengauer, Birgit / Rechberger, Marlis (2019): Betriebliche AusbilderInnen in Österreich. Erfahrungen, Herausforderungen, Wünsche (Company Trainers in Austria: Experiences, Challenges, Desires), ibw Research Report no. 196.

² Dornmayr, Helmut / Riepl, Marlis (2023): Unternehmensbefragung zum Arbeits- und Fachkräftebedarf/-mangel 2023, Arbeitskräfte radar 2023 (Company Survey on Demand for/Lack of Labour and Skilled Workers in 2023, Labour Radar 2023), ibw Research Report no. 215 commissioned by WKO, Vienna

Diagram 3 Share of training companies in all employer companies (within the WKO)
(at the end of December of the respective year)

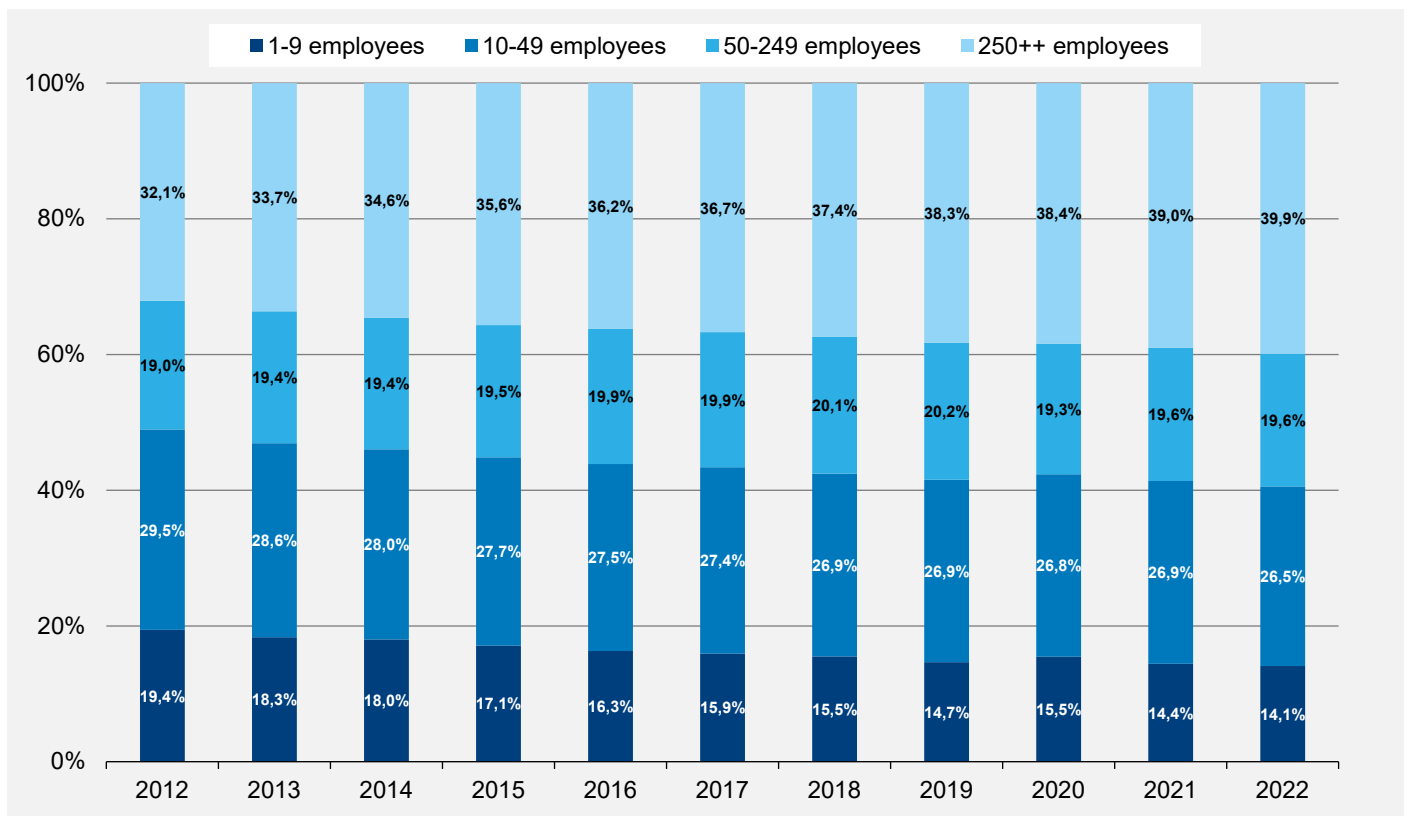


Source: WKO (2013 – 2023): Lehrlingsquoten – Anteil der Lehrlinge an den unselbständig Beschäftigten (Apprentice rates – share of apprentices among people in dependent employment). Vienna. + ibw calculations

N.B.: Employer companies = companies with employees. Excluding companies that only employ people in marginal employment.

Diagram 4 Distribution of apprentices by size of training company (employees)

(size of training company based on the number of people in dependent employment in the WKO member companies; at the end of December of the respective year)



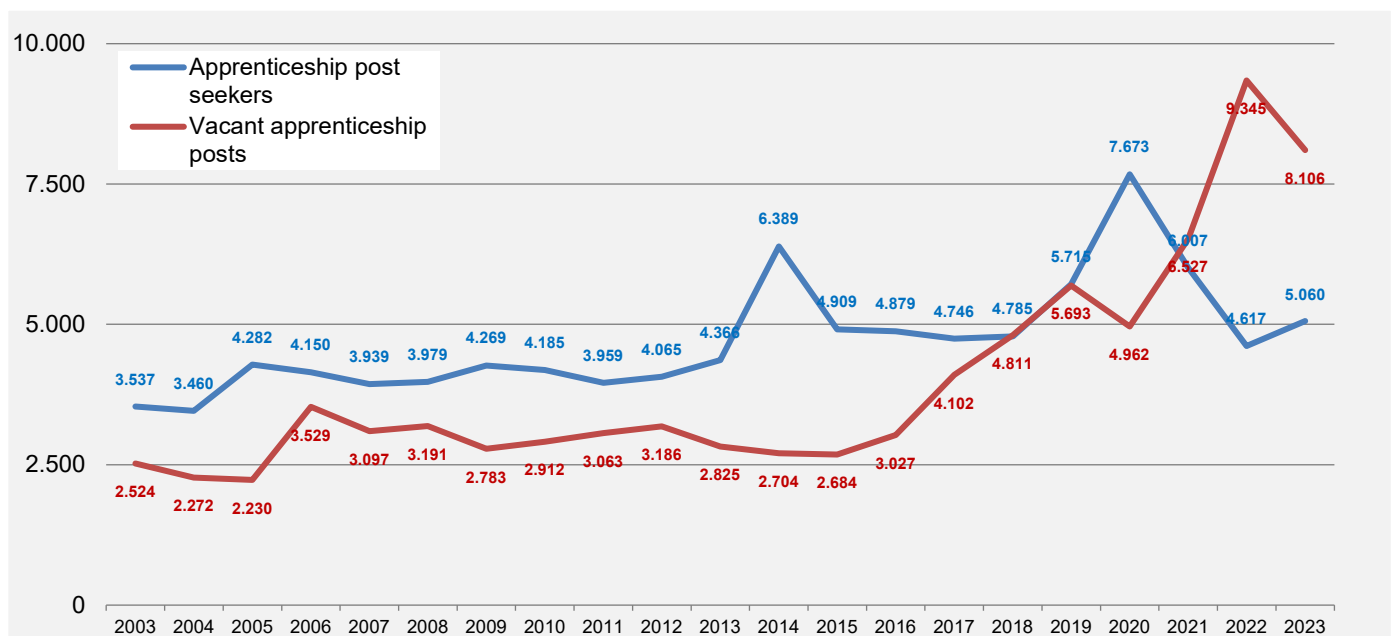
Source: WKO (2013 – 2023): Lehrlingsquoten – Anteil der Lehrlinge an den unselbständig Beschäftigten (Apprentice rates – share of apprentices among people in dependent employment). Vienna. + ibw calculations

Vacant apprenticeship posts and apprenticeship post seekers

Looking at the development of (immediately available) apprenticeship vacancies registered with Public Employment Service Austria (AMS) and apprenticeship post seekers in June of the respective year (cf. Diagram 5), it can be seen that the number of apprenticeship post seekers reached a long-term peak in June 2020 ('Corona crisis') (7,673 apprenticeship post seekers) and then declined (4,617 apprenticeship post seekers in June 2022). From June 2022 to June 2023, there was a slight increase again (to 5,060 apprenticeship post seekers). The number of vacant

apprenticeship positions registered with AMS, which comprises only a portion of the vacant apprenticeship posts, was still significantly lower than the number of apprenticeship post seekers in June 2015 and then rose relatively continuously until June 2022 (exception: 'Corona crisis' in June 2020). In June 2023, the number of registered apprenticeship vacancies (8,106 vacancies) was lower than in June 2022 (9,345 vacancies), but still around 3,000 higher than the number of registered apprenticeship seekers.

Diagram 5 Vacant apprenticeship posts and apprenticeship post seekers at AMS (2003-2023: numbers from the end of June)



Source: BMAW (amis)

N.B.: (Only) Immediately available apprenticeship post seekers and vacant apprenticeship posts at the end of June of the respective year.

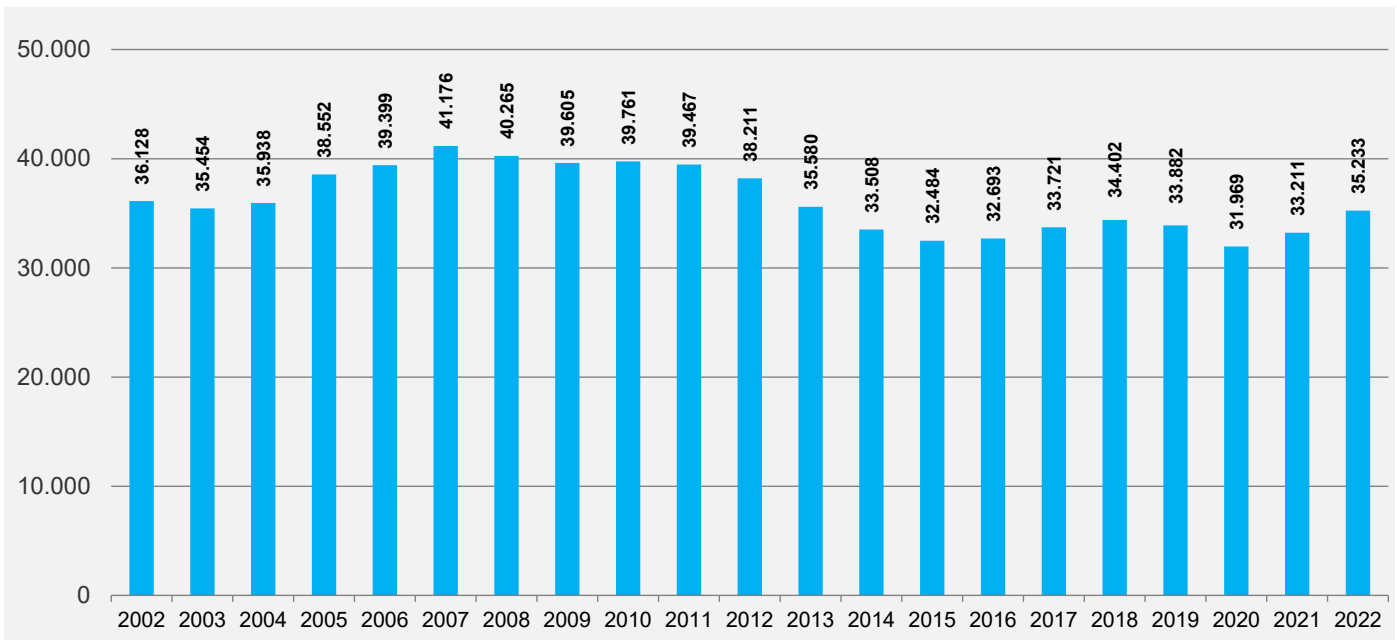
Apprentices in the first year

At the end of 2022, the number of apprentices in the first year (cf. Diagram 6) (with 35,233 apprentices in the first year) was around 2,000 higher than at the end of 2021 (33,211 apprentices in the first year) and also significantly higher than in 2019 (33,882 apprentices in the first year). In the course of the COVID-19 pandemic, a sharp decline in the number of apprentices in their first year of training was observed in 2020 in particular, even falling below the long-term low from 2015 (32,484 apprentices in their first year of training). The fact that fewer drop-outs from upper secondary schools were available for apprenticeships with the onset of the corona pandemic also contributed to the decline in the number of apprentices in their first year

because progression to the next higher grade was made easier, i.e. progression was possible with one 'fail' without necessitating a decision by the class or school conference (cf. COVID-19 school regulations). It is not yet clear whether the sharp increase in the number of apprentices in the first year of apprenticeship in 2022 was a general trend reversal or more of a 'catch-up effect' (due to a larger number of drop-outs from upper secondary schools). The figures available up to the end of September 2023 indicate in any case that the number of apprentices in the first year of training is expected to increase again in 2023, albeit only slightly³.

³³³ At the end of September 2023, the number of apprentices in the first year of training (9/2023: 35,655) was around 0.7% above the value from the previous year (9/2022: (35,398) (Source: WKO).

Diagram 6 Number of apprentices in the first year of apprenticeship
(at the end of December of the respective year; 2002 -2022)



Source: WKO

The risk of unemployment

To calculate the unemployment rate, the internationally standard calculation method according to the Labour Force Concept (ILO) is used here, because (in contrast to the method used by AMS) it also counts self-employed persons and unemployed persons not registered with AMS. According to this unemployment rate by international definition, the **unemployment rate of people in Austria with no more than a compulsory school leaving certificate** was **11.7%** in 2022 (see Diagram 7). The unemployment rates of all other groups (educational levels) were significantly lower in this analysis.

In 2022, the **lowest unemployment rates** were found among **graduates of a school for intermediate vocational education (BMS)⁴⁴ (3.2%)**, a **university/HE institution (3.3%)**, a **college of higher vocational education (BHS) (3.6%)** and an **apprenticeship (3.7%)**. This data confirms the high degree of vocational applicability and

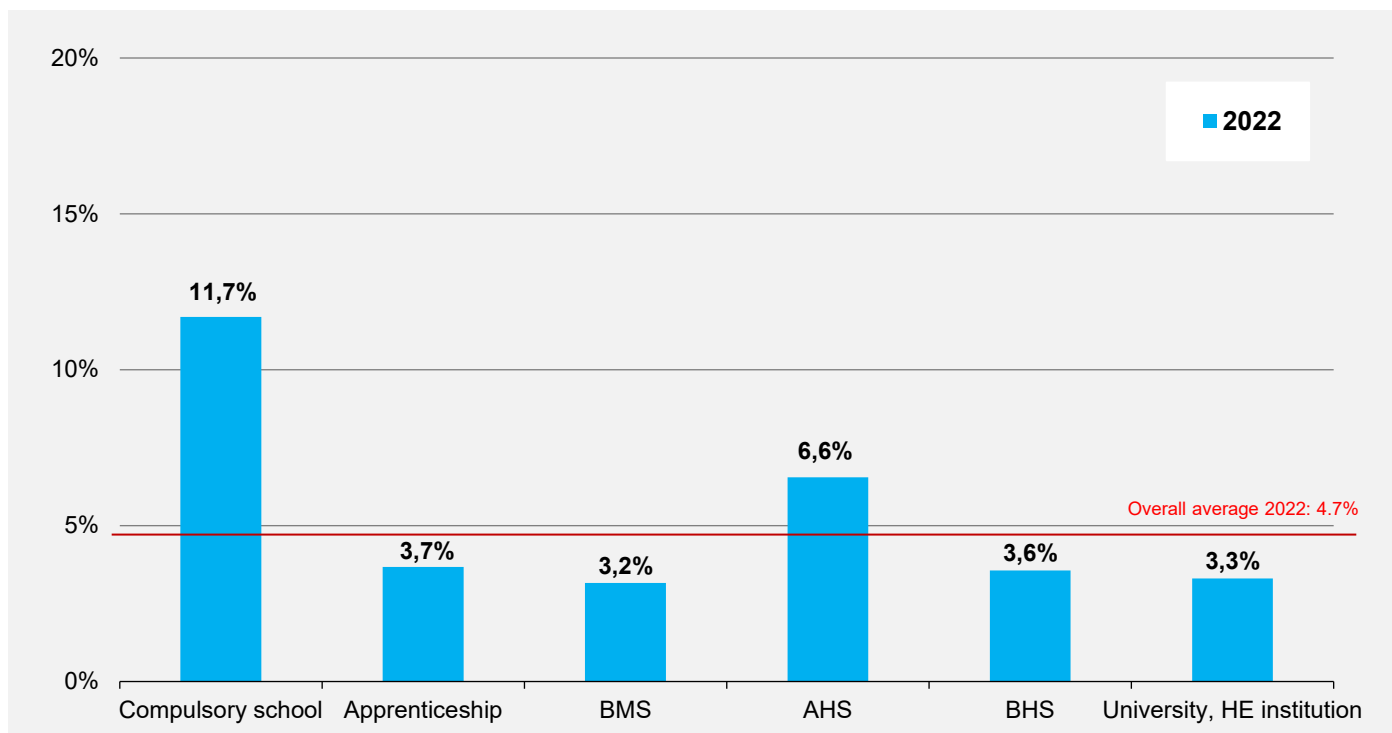
labour market relevance of vocational training in Austria quite impressively, especially since graduates of academic secondary schools show a significantly higher unemployment rate (6.6%). According to this calculation mode, the unemployment rate for Austria in 2022 was 4.7%.

These results clearly show how important advanced (vocational) education and training is in reducing the risk of unemployment. It is therefore necessary and sensible to continue and intensify efforts to keep the rate of young people without an upper secondary school leaving certificate low and to reduce it even further (especially among young people with a migration background). Apprenticeship training represents a good opportunity for successful labour market integration, especially for practically gifted young people.

⁴⁴ However, here the group of schools for intermediate vocational education includes very heterogeneous forms of training (e.g. also schools for healthcare and nursing, sports academies, etc.).

Diagram 7 Unemployment rate according to the Labour Force Concept (ILO) by highest educational attainment (2022, Austria)

(unemployment rate according to the international definition)



Source: Statistics Austria (microcensus labour force survey) + ibw calculations

Unemployment rate according to the Labour Force Concept (LFC) of the International Labor Organization (ILO) = share of unemployed persons according to the LFC in the labour force according to the LFC.

The entire study,⁵ which was financed by the Federal Ministry for Digital and Economic Affairs BMAW and WKO, can be obtained from ibw in printed form in German (ibw Research Report no. 217, ISBN 978-3-903404-84-7) or downloaded from www.ibw.at.

⁵ Dornmayr, Helmut (2023): Lehrlingsausbildung im Überblick 2023 - Strukturdaten, Trends und Perspektiven, ibw Research Report no. 217, Vienna