

ibw summary

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Demand for/Lack of Skilled Labour in Austria in 2022

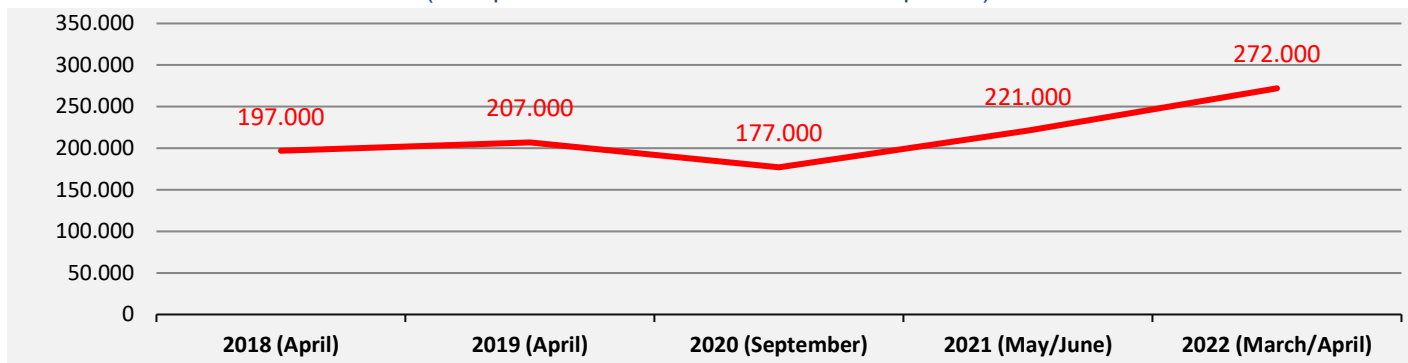
The results of an annual Austria-wide survey of around 4,000 companies ('Skilled Labour Radar') commissioned by the Austrian Federal Economic Chamber (WKO) and conducted in March/April 2022 show that the shortage of skilled workers in Austria is at a new high, at an 'all-time high'. Extrapolated to the whole of Austria, it can be assumed that there was an estimated demand for skilled labour (vacancies) of around 272,000 people (among all WKO member companies) at the time of survey. 73% of the companies suffer from a (very or rather) severe shortage of skilled workers (44% of them from a very severe shortage).

Despite the aftermath of the 'Corona crisis' and the negative consequences of Russia's attack on Ukraine, the shortage of skilled workers in Austria in April 2022 is at a new (so far) 'all-time high' (at least since the 1950s, i.e. since reliable data have been available). Extrapolated to the whole of Austria, it can be assumed that there was an estimated demand for skilled labour (vacancies) of around 272,000 people (among all WKO member companies) at the time of the survey in March/April 2022 - this

corresponds to a total of around 51,000 (+23%) more than in May/June 2021 and is also clearly above the 'pre-Corona level' (+ 65,000 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 129,000) at the end of April 2022. It therefore seems appropriate to also already speak of a labour shortage.

DIAGRAM 1

Development of vacancies for skilled workers
(extrapolation* for all WKO member companies)



Sources:

ibw Company Survey on Demand for/Lack of Skilled Labour in 2022 (n = 3,936 companies; conducted in March/April 2022)

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

ibw Company Survey on Demand for/Lack of Skilled Labour in 2020 (n = 4,431 companies; conducted in September 2020);

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

ibw Company Survey on Demand for/Lack of Skilled Labour in 2018 (n = 4,462 companies; conducted in April 2018).

*N.B.: Using auxiliary information at the estimation stage (stratification: sector x company size category)

Overall, 87% of the almost 4,000 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 73% of them affected very or rather severely (time of survey: March/April 2022). 44% of the companies are suffering from a very severe, another 29% from a rather severe shortage of skilled labour. The shortage of skilled workers is experienced particularly intensively in tourism (81% very or rather severely), in

construction (81%) and in the manufacture of wood products (76%), as well as in the artisanal and technical sector as a whole and in transportation and logistics. At the time of the survey in March/April 2022, 71% of the questioned companies registered vacancies for skilled workers. Broken down by occupational groups, companies encountered particular difficulties in their search for suitable skilled labour in artisanal occupations (the crafts) (45%), followed by technicians outside the IT area (23%) and staff for the hotel, restaurant and catering

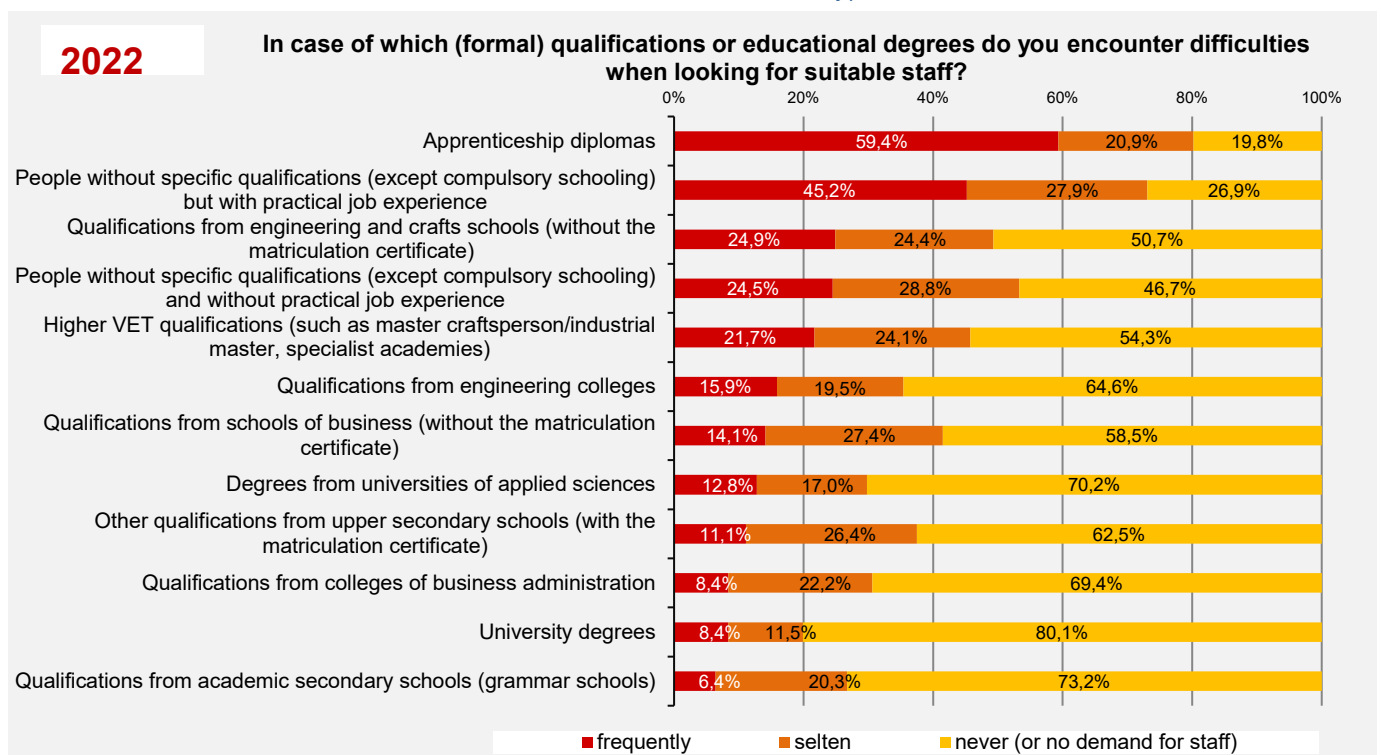
sector (21%). The search for 'elementary occupations', i.e. unskilled workers (across all occupations) is also currently particularly difficult for 24% of the surveyed companies. The occupation 'cook' clearly emerges as the single occupation with the greatest recruitment difficulties among the companies.

At the level of educational degrees (cf. Diagram 2), 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. 59% of the companies with a noticeable shortage of skilled labour

often have difficulties in finding employees with apprenticeship diplomas (only 13% for degrees from universities of applied sciences and 8% for university degrees). 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** (40% definitely, another 19% perhaps) **would train a greater number of apprentices** if they could find sufficiently qualified and interested young people for their jobs (cf. Diagram 3). Among those companies which, in principle, already train apprentices, as many as 50% definitely wanted to train more apprentices and 24% perhaps.

DIAGRAM 2

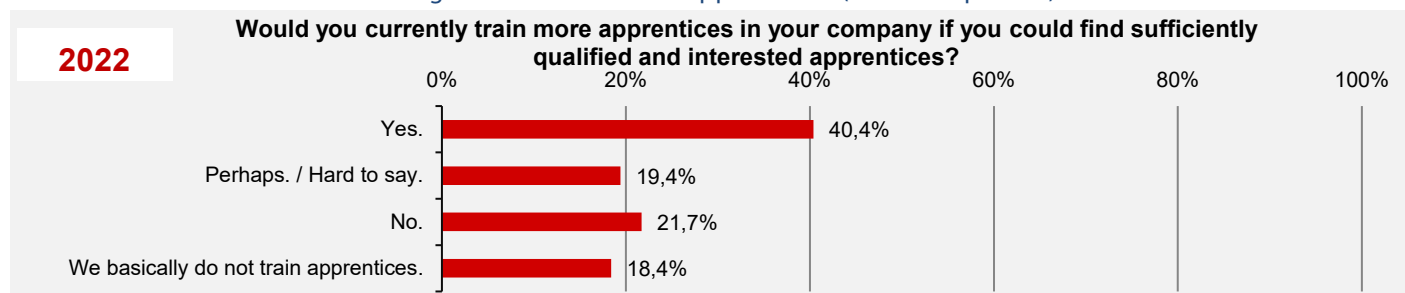
Qualifications or educational degrees where companies encounter difficulties finding suitable candidates (among those n = 3,422 (86.9%) companies which stated they felt a shortage of skilled labour at least to a minor extent at the time of survey)



Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2022 (n = 3,936 companies; conducted in March/April 2022)

DIAGRAM 3

Willingness to train more apprentices (ALL companies)



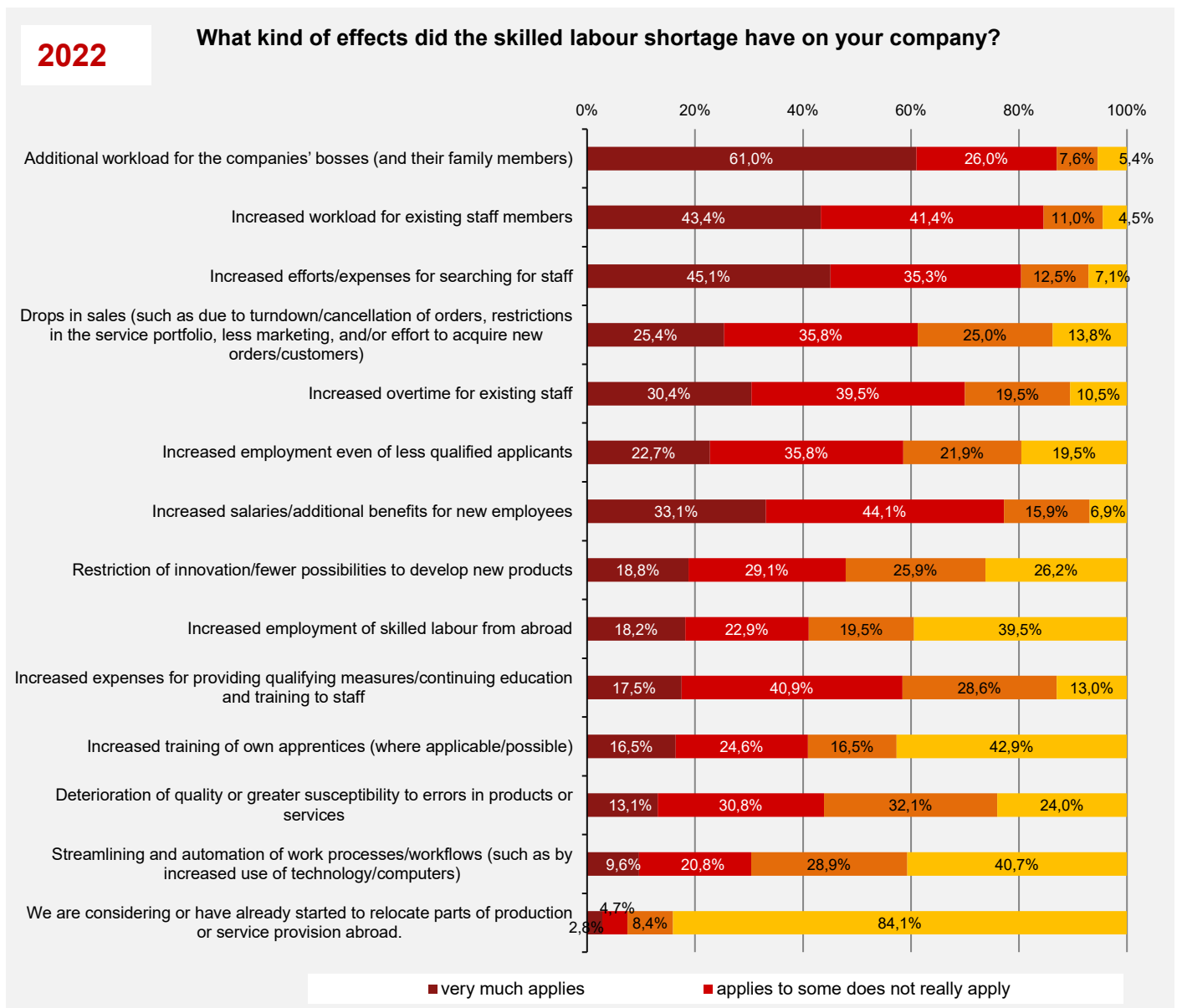
Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2022 (n = 3,936 companies; conducted in March/April 2022)

The skilled labour shortage mainly has an impact (cf. Diagram 4) on the **companies' bosses and their family members** (87% 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 (85%) and working more overtime (70%). In **around 63% of the companies** which felt the lack of skilled labour at the time of the survey, this additionally led to **drops in sales** (such as due to turn-down/cancellation of orders, restrictions in the service portfolio, less marketing, less effort to acquire new or-

ders/customers, etc.). At the same time, however, **expenses for searching for staff** (80%), **salaries/additional benefits** for new staff (77%) and **providing qualifying measures/continuing education and training** (58%) increased. As a result of the skilled labour shortage, less qualified applicants also often need to be recruited (63%) and the **possibilities of innovation and the development of new products are restricted** (48%). Subsequently, the **quality** of products and services possibly **deteriorates** (44%), which in turn leads to higher costs in the medium and long term (such as for repairs/complaints).

DIAGRAM 4

Effects of the skilled labour shortage in the companies (2022)
 (among those n = 3,422 (86.9%) companies which stated they were affected at least to a small extent by a shortage of skilled labour)

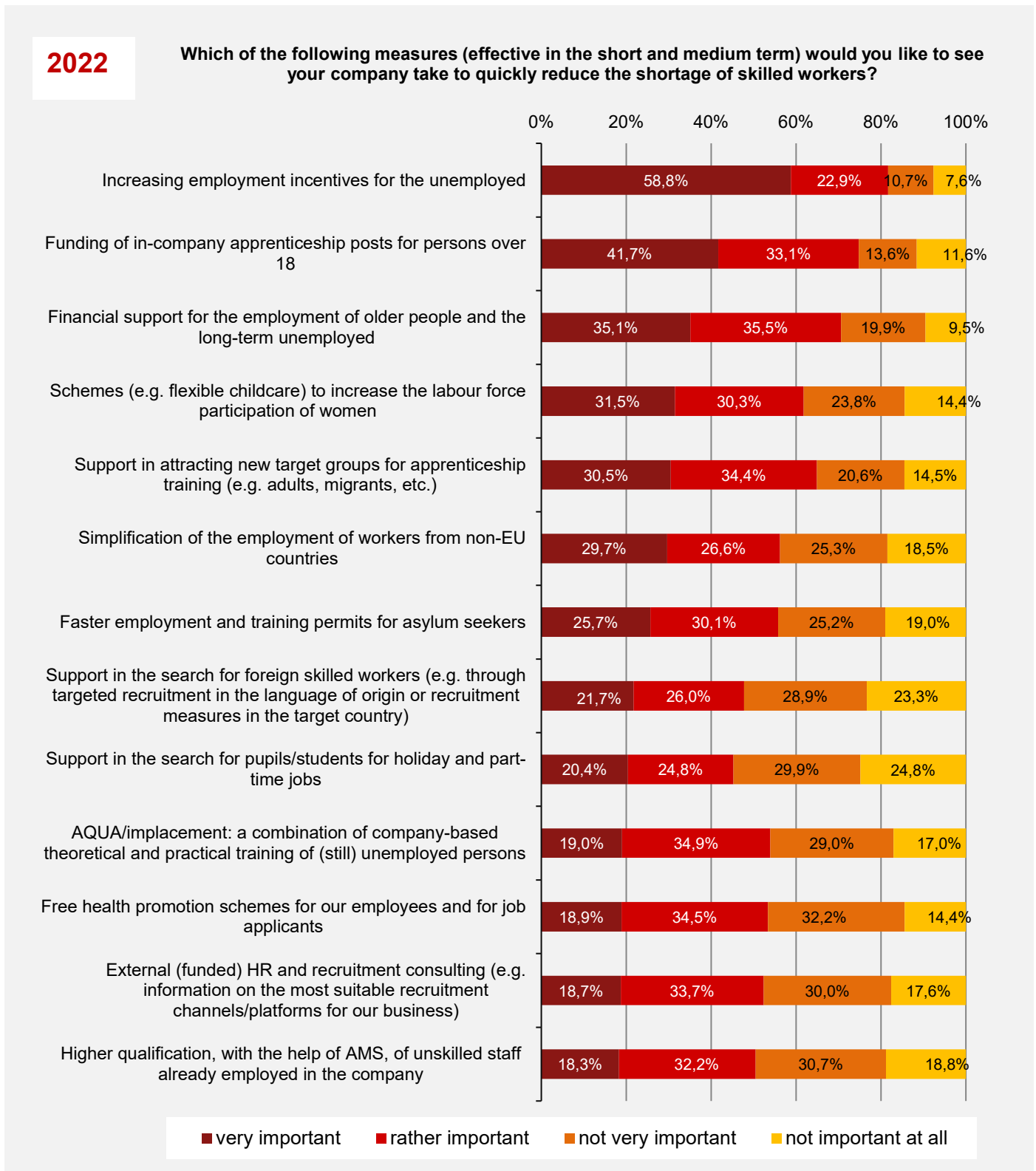


Source: ibw Company Survey on Demand for/Lack of Skilled Labour in 2022 (n = 3,936 companies; conducted in March/April 2022)
 N.B.: The order of the items in the online questionnaire was automatically rotated to prevent any bias.

DIAGRAM 5

Measures effective in the short and medium term to reduce the shortage of skilled workers

(among those n = 3,422 (86.9%) 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 2022 (n = 3,936 companies; conducted in March/April 2022)

N.B.: The order of the items in the online questionnaire was automatically rotated to prevent any bias.

83% of the surveyed companies expect/fear a further worsening/escalation of the skilled labour shortage in their sector over the next 3 years (66% even expect a strong increase).

The surveyed companies affected at least to a small extent by the shortage of skilled workers see the **most important measures to reduce the shortage of skilled workers** (see Diagram 5) in increasing employment incentives for the unemployed (59% very important, 23% rather important), the funding of in-company apprenticeship posts for people over 18 (42% very important, 33% rather important), financial support for the employment of older people and the long-term unemployed (35% very important, 36% rather important) and schemes (e.g. flexible childcare) to increase the labour force participation of women (32% very important, 30% rather important).

The majority of the surveyed companies (30% very important, 27% rather important) also consider it important to simplify the employment of workers from non-EU countries (so-called 'third countries'). In general, the surveyed companies currently see the biggest hurdles to employing foreign skilled workers in the interested parties' knowledge of German (74% very or rather big problem), in the bureaucratic effort (52%) and the work permit (46%) when employing non-EU citizens as well as in the high rent/apartment costs in Austria (56%).

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 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 (2022): Unternehmensbefragung zum Fachkräftebedarf/-mangel 2022, Fachkräftenadar 2022 (Company Survey on Demand for/Lack of Skilled Labour in 2022, Skilled Labour Radar 2022), ibw Research Report no. 210 commissioned by WKO, Vienna.

