Actions Against the Lack of Highly Skilled Workers in the Regions of Upper Austria

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	ABSTRACT
<p>2016 Research Leap/Inovatus Services Ltd. All rights reserved.</p> <p>DOI: 10.18775/jibrm.1849-8558.2015.52.3001 URL: http://dx.doi.org/10.18775/jibrm.1849-8558.2015.52.3001</p>	<p>Globalization, rapid technological changes and labor market developments cause that companies require different skilled employees on a continuous basis. This leads to a shortage in skilled workers in Upper Austria. In order to overcome this issue Upper Austrian regions try to attract skilled workers from abroad or people who left the region and moved to another place in Austria. In order to foster this movement Austria introduced the Red-White-Red Card in 2011, which eases the access to the labor market for skilled workers from the non-EEA (European Economic Area). An empirical study conducted in 2016 and 2017 should support the companies in evaluating their level of attractiveness from the point of view of immigrants and remigrants and should give them advice on how to increase this level. The study is made up of an online questionnaire consisting of nine dimensions, which are called welcome_here, _administration, _job, _housing, _family, _education, _leisure time, _health and _infrastructure. In every dimension challenges for the companies, needs of the employees and possible actions and solutions taken are being evaluated. The questionnaire consists of a mix of closed, multiple choice and open questions. In 2016 and 2017 in total 41 companies and 39 municipalities filled in the questionnaire. This report deals with the results of the interviews conducted with the companies. In general, companies evaluated their level of competence higher than the need for action in each of the nine dimensions, except in welcome_infrastructure. The biggest challenges for immigrating skilled workers are mainly language barriers, integration and settlement of the family/partner. From the company side it becomes visible that employers do not perceive themselves responsible for some dimensions dealing with leisure time or the family.</p>
<p>Keywords: Global Education, Collaboration Model, Experiential Learning, Learning methods, Intercultural Competence, Cultural distance</p>	

1. Introduction

Skill requirements for jobs are changing continuously all over the world, also in Austria. Reasons are various: from globalization and rapid technological changes to labor market developments. It got important to assess the existing skill shortages and to forecast the existing labor market (OECD 2016). A shortage of skilled workers is defined by the fact that qualification profiles or qualification potentials of both in-house and external workers do not meet the requirement profiles of existing jobs over a longer period. These can be both formal qualifications and soft skills or any additional skills (Kettner 2011).

Skill shortage is also a topic in Upper Austria. In absolute numbers, this means that Upper Austrian enterprises are expected to have around 47 000 fewer skilled workers by 2030 than in 2017. The demographic change also implicated a change in the average age of skilled workers in Upper Austria. In 2017 the average age is around 39.6 years, by the year 2020 it will increase to 40.2 years and to 42.8 years in 2030 (WifOR 2017).

A solution to overcome this topic is to attract highly skilled immigrants from other countries and returning immigrants, which have left the Upper Austrian region for study purposes or other reasons (OECD 2016). Upper

Austria is known as the Austrian leading economic region with the highest export share of all nine federal states (Business Upper Austria n.d.). Migration has always been an answer to skill shortage in the history of Upper Austria. Until the end of 1993, the immigration of workers from abroad relied exclusively on the coverage of shortages in the labor market. The public perception in general was that these workers only covered gaps in the low skilled sector. But also the high skilled sector was characterized by a gap of skilled workers, which could only be closed through immigration. When Austria entered the European Union in 1995, they had to open their borders for 14 other European Union member states and three states of European Free Trade Association (Gächter et al. 2015).

Skilled and highly skilled workers from a third country (a country outside the EU) have the opportunity to request the so-called Red-White-Red Card. It gives them and their family members the opportunity to live and work in Austria since 2011. The congestion for the card was behind expectations. Reasons were bureaucratic hurdles in the application and strict access rules (Gächter et al. 2015).

Bureaucratic hurdles were also a topic in the study ‘Welcome Upper Austria – A contribution to innovate the region’. The aim of the project is it to show companies how attractive they are from the point of view of immigrating and remigrating highly skilled employees. Based on the results the project aims at rising the attractiveness of the Upper Austrian regions.

2. Literature Review

Already in 2001 the OECD pointed out the positive effects of high skilled workers migration, like knowledge flows or resulting export opportunities for technology. Bosetti et al. (2015) found out that the higher the portion of migrants in skilled professions, the higher is also the level of knowledge creation. The term “lack of skilled workers” defines a situation in the industry in which companies are lacking employees, who bring certain qualifications with them. Those qualifications are based on a certain education and subject. This means the term skilled worker can be applied in many different fields of activity, in which special skills and knowledge are needed (Fink et al. 2015). In Austria it is being differentiated between highly skilled workers and skilled workers. According to Gächter et al. (2015, p 13, translated by author) highly skilled workers are people, “who received adequate and specific competences through higher, and mostly through University education”. In contrast, skilled workers are being defined as “people who have acquired appropriate and specific skills through higher education and/or work experience” (Gächter et al. 2015, p13, translated by author).

Moreover, according to Fink et al. (2015) the lack of skilled workers can be seen from an internal or external perspective. Internally it is being defined as the current workforce of a company is lacking necessary skills in order to get a certain work done or to reach a specific goal. From the external perspective, the lack of qualified workers available on the market is being meant. A study released by Manpower Group (2016) stated reasons and difficulties for finding appropriate employees: As the main challenges of recruiting nowadays a deficit in expertise and too few applicants are mentioned. On the next positions lack of social competences, applicants demanding too much money and company-related reasons are other challenges of today’s recruiter. In total 34 % of 751 Austrian employers stated that they have problems in finding appropriate employees for their vacancies in 2016 (Manpower Group 2016).

According to Manpower Group (2016) skilled workers are the fifth year in a row the most difficult occupations to find

employees for. There exists a list, which shows all shortage occupations in

Austria. In 2012, 26 occupations were stated on this list. In 2015, it was reduced to only 12 (Gächter et al. 2015). Nevertheless, in comparison to 2015 the content of the list has more than doubled in the year 2018. For this year the Austrian Federal Ministry of Labor, Social Affairs, Health and Consumer Protection (2018) identified 27 shortage occupations.

Based on the Austrian foreign labor act a job is ranked as a shortage occupation as soon as 1.5 job seekers are being registered for one position (Gächter et al. 2015). In order to increase the number of the potential workforce different migration policies, like for example the Rot- Weiß-Rot Karte, in English Red-White-Red Card, are in use in order to attract skilled workers from abroad. The Red-White-Red Card makes the labor market easier accessible for skilled workers emigrating from countries, which do not belong to the European Economic Area. But not only Austria alone has recognized the necessity to attract highly skilled workers, also the EU in general sees their potential. Therefore exists as well the Blaue Karte, in English Blue Card, which is especially focusing on highly skilled workers emigrating from European Union member states (Gächter et al. 2015). The Blue Card is available at nearly any European country except of Denmark, Ireland and the UK (Kofman 2014). In order to apply for a Red- White-Red Card a specific point system is used. The immigrants receive points for fulfilling certain criteria in the following categories: educational qualification, job specific experience, language skills and age (AMS 2018).

3. Methodology

A part of this paper is based on the study, which has been conducted in the frame of the project ‘Welcome Upper Austria’. The institution Regional Management Upper Austria, Business Upper Austria - Network Human Resources and the FH Upper Austria introduced this project, which supports communities and companies in their development. At the beginning of the project, two focus group discussions with ten participants were organized. Moreover, in-depth interviews were held with immigrants and returning emigrants. Out of those findings it has been possible to identify nine different dimensions (see figure1), of which most of them are not work related.

Figure 1: The nine dimensions of the ‘Welcome-Check’

Nevertheless, the results of the focus groups and in-depth interviews showed that integration, attractiveness and feeling welcomed are not only bound to the working place. On the nine dimensions, mentioned above a questionnaire was designed.

The name of the questionnaire is ‘Welcome-Check’ and it is available as an online tool. The ‘Welcome Check’ is made up of closed, multiple choice and open questions. The interviewee fills out the questionnaire in a face-to-face interview. After that, the answers get transferred to the online tool in order to create a report. The result helps companies and municipalities to reflect their current situation to discover key challenges and needs of highly skilled workers who immigrate or remigrate.

Moreover, it suggests actions to be taken, which would increase the attractiveness of the work place and/or region. Those should encourage the highly skilled workers not only to come but also to stay at a specific work place and/or region. First, the company/municipality has to answer some general questions, which define the frame conditions. Then every dimension consists of the same structure: The interviewee has to answer two questions concerning the challenges they are confronted with as a company/municipality and the needs, which employees/residents raise. Furthermore, the company/municipality has to rate the need for action in this specific dimension based on the challenges and needs mentioned before, on a ten points scale. After those points actions and solutions, which could lead to an increase in the attractiveness level, are listed and ticked if applicable. Finally, the questionnaire collects information concerning language diversity, further actions taken and cooperation in this field. In the end, the interviewee has to rate their competence from one (low) to ten (very high).

In 2016 and 2017 in total 41 companies and 39 municipalities took part in the project. The interviews conducted in 2016, 21 in total, supported the further development and adaption of the questionnaire. In 2018 the project will be continued with the revised version. Additionally, a short Quick Check should stimulate more companies and municipalities to participate, which will be available on the official homepage. This paper focuses on the results of the questionnaires filled in by companies and a comparison of the results of 2016 and 2017 is presented.

4. Research Outcomes

Due to the fact that the study has been performed already a second time after 2016, the possibility is given to compare the results of 2016 and 2017. Companies were able to assess their level of competence and the company’s self-evaluation of the need for action on a scale from one to ten, on the nine different dimensions. In 2016 the competence level in all nine dimensions was seen higher than the current need for action. 2017 shows nearly the same picture except the fact that the dimension infrastructure was assessed differently. In this dimension, the need for action was evaluated higher than the level of competence.

In the following, the comparison of the results of the nine questionnaire dimensions will be described. The number of

companies, which gave specific answers, will be shown in brackets.

Figure 2: Comparison of Need for Action and Level of Competence of the ‘Welcome-Check’

The year 2016 will be represented by the first number in the bracket and the year 2017 by the second number.

The project showed that Integration in the workplace and place of residence and the establishment of a sustainable, social network (long-term commitment to the company / region / place of residence) posed major challenges for companies in the sector welcome_here in 2016 and 2017. Language barriers also posed a great challenge in both years. Intercultural differences and xenophobia inside and outside the companies posed major disputes for enterprises in the two last years. Often, in the research years, the attractiveness or the reputation of the location was seen as a challenge to bring highly skilled workers into the region. This is also consistent with the main need mentioned in 2016 and 2017, which is mainly about finding social contacts and connecting to the social life in the region they live for the employees and their families. The number of companies, which offered guided tours through the company, stayed the same in both years (19). As well as the number for the common practice to provide a welcome folder (17).

In both years, the high degree of bureaucracy was seen as the biggest challenge in the section welcome_administration. These include, above all, the visa regulations for Austria, the lengthy application for the Red-White-Red card, the recognition of foreign qualifications, and difficulties in filing tax returns for foreign workers. Language barriers in contact with authorities and public offices pose major challenges in both years as well. In order to overcome these challenges, providing information on the social security system as well as assistance in administrative steps (applications / formalities, completing documents) and to overcome the language barrier are the main needs of the last two years. Comparing the two studies it can be seen that the order of frequency of entries on the provision of information material has not changed. The provision of information material on administrative steps (11/9) and on compulsory insurance (7/9) are the most frequently cited measures. Also in personal assistance, which is provided in filling out forms (16/15), the establishment of contacts with relevant institutions (14/12), the accompaniment of immigrants to the registration office (10/6), assistance in opening a bank account (9/4) as well as tax (6/5) and legal advice (3/5), the order of frequency of entries has not changed. In the field of

diversity, all companies in both years said that their employees speak foreign languages.

The greatest challenge in the field of *welcome_job* in both years was supporting the key worker's partner in the job search. Compared to 2016, the understanding of other cultures was increasingly addressed in order to avoid misunderstandings. In addition, challenges such as today's work ethic (low labor, no responsibility and a lot of money), which were not mentioned in 2016, were counted as challenges as well. The most frequently stated need in both years is in line with the biggest challenge – supporting the key workers partner with the job search. Compared to 2016 (19) only 11 companies provided personal assistance in the form of trainings. The other forms of assistance, buddy systems (14/12) and the establishment of contacts with relevant labor market authorities (11/12) remained constant. Like in 2016, the most used method to attract potential future employees, were thesis topics (9/13). Other forms were the cooperation with regional employers (5/6) and the visualization of regional job offers (5/8).

In *welcome_housing*, the challenges have not changed in comparison to last year. As before, the biggest challenges are the finding of cost-effective, suitable housing options close to the

company as well as a reasonable price / performance ratio. Support in the search for housing was mentioned as the biggest need in both years. Companies try to solve that issue through the provision of temporary homes (7/11). In 2016 seven companies offered personal support in the search for housing to their key workers. This number more than doubled in 2017 where 15 companies offer personal support through requests of personal networks or the checking of the rental agreements.

In *welcome_family* the limited availability of childcare places and the integration of children into the company are the biggest challenges in 2017. Finding employment for partners and integrating relatives took the lead in tackling the challenges 2016. Offering childcare was the most frequently mentioned need in both years. Like in 2016, companies do not provide much information material in 2017. Only five companies offer material about childcare (4 in 2016) and only two about governmental family benefits (5 in 2016). The main finding in *welcome_family* was the increase of personal support in the search for childcare (4/10). Childcare within the company is still not relevant for many firms. Forms provided were crèche (3/2), kindergarten (2/1), summer childcare (3/2) and cooperation with the municipality (5/1). Only one company offered nannies at the workplace, a form which was not mentioned at all in 2016. Companies also do not put a high emphasis on networking opportunities like family days (6/3) or company outings (2/4).

In 2016, the challenges in the area of *welcome_education* were language barriers, the development of language skills and further education in various fields (such as electronics). This changed fundamentally in 2017. The eligibility and

comparability of education systems, the recruitment of skilled workers and the accessibility of educational institutions in the central area are the biggest challenges companies are facing. The needs identified by the companies in 2017 are further education, credibility of foreign higher educational qualification. Many companies offer information about training possibilities (11/14), external educational opportunities (5/7) and German courses (10/8). In both years, continuing education programs played an important role for the companies.

Like last year, many companies stated that the field of *welcome_leisure* time lies outside their responsibilities. Compared to 2016, where providing activities on a community level and to offer information about it, were the main challenges, the integration of leisure time into the working environment, the high coordination and organization effort were seen as the biggest challenges in 2017. The need to provide information on recreational activities was pronounced in 2016. In 2017 this was replaced by the need for interest-based company events. Whereas eleven companies organized joint intercultural events in 2016, only five did so in 2017. Like the previous year (2016) it can be said that the field of *welcome_leisure* time is not discussed on a company level but on an informal one. In 2016 and in 2017 seven companies had cooperation with local clubs like gyms, tennis or football clubs.

While providing information about the health care system was the biggest challenge in 2016, keeping keyworkers fit at their workplace was seen as the most important task for companies in 2017. Due to the fact that 14 out of 20 companies did not note any needs in that field in 2017, it can be said that they see *welcome_health* outside of their responsibility. Only four (seven in 2016) companies offer lists of medics or information about the Austrian healthcare system (five in 2016). Other health related activities companies provided in 2017 were company doctors

(6), health related lectures (3) and vaccinations (3). Compared to 2016, where 13 companies had a cooperation with health institutions or insurances, only five had so in 2017.

As the biggest challenge and need in *welcome_infrastructure* companies stated the accessibility of the workplace with public transport in 2016 and 2017. Therefore, companies supported mobility and innovative mobility concepts through carpooling (4/8), a fair subsidy to bus and train tickets (7/7) or E-Bikes (1/2).

Additionally, other patterns could be identified while conducting the interviews in Upper Austrian Companies through transcripts and comments of the interviewers: Many companies only source their employees regionally or most of the employees come from the region. Therefore, word of mouth is often the biggest advertisement of a company (e.g. employees recruit new employees in the circle of relatives / acquaintances).

Many companies offer enrollment programs. In general, the training of employees, as well as the constant broadening of

qualifications, plays an important role in companies. Also mentor and buddy programs are offered in many companies for the initial support of a new employee. In almost all companies, new employees have to speak German. The language (German) is often seen as the key to integration

It was also observed that bureaucracy is the biggest hurdle and burden for many companies looking to hire foreign workers. Finding qualified specialists and key personnel is becoming increasingly difficult for companies, which is why a focus is placed on apprenticeship training. The supervision of diploma and master thesis topics as well as cooperation with schools, especially HTLs, is used for the recruitment of qualified specialists.

In order to offer the best possible care and compatibility, companies are also open to different training models (apprenticeship with a high school diploma, studying part-time).

5. Conclusion and Future Implications

In both years 2016 and 2017 the 41 interviewed companies are well aware of the positive effects of attracting skilled personal from abroad. Like in the previous year, also in 2017, companies saw their level of competence on a higher scale than their need for action. Except of one dimension, welcome_infrastructure, where companies realized a higher need for action compared to 2016.

As well as in 2016, the results of the 'Welcome Check' serve as a basis for a summarizing checklist which will be provided to the participating firms. It shows companies how ready and prepared they are to welcome immigrating or remigrating highly skilled workers so that they will stay in the region in the long run. As a point of improvement, it has to be stated that many interviewees mentioned that some dimensions (especially leisure time, family, health) are outside a company's level of competence and that they do not see any challenges or needs in these sectors. Instead, the state should be the one providing information material and support. This fact made it hard for some interviewees to answer the questions in these dimensions. A discussion between companies and municipalities should be started to work on those dimensions together.

Due to the fact, that the interviewed companies differ in size, from small and medium sized companies to big cooperation, as well as in location, it has to be mentioned that results are not representative for the region of Upper Austria or Austria. Still more data has to be collected.

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