



## Flash Eurobarometer 537

# SMEs and skills shortages

Summary



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**September-October 2023**

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Survey requested by the European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs and coordinated by the Directorate-General for Communication

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Flash Eurobarometer 537 – Ipsos European Public Affairs





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Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

Survey coordinated by the European Commission, Directorate-General for Communication  
(DG COMM “Media Monitoring and Eurobarometer” Unit)

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## Introduction

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In her State of the European Union Address on 13 September 2023, President von der Leyen identified three **major economic challenges for the EU's industry in the year ahead: labour and skills shortages**, inflation, and making business easier for EU companies. SMEs are currently facing structural difficulties in recruiting staff with the right skills due to growing labour and skills mismatches and shortages.

Having a workforce with the right skills contributes to sustainable growth, leads to innovation and improves companies' competitiveness. The **European Year of Skills 2023** will help companies, in particular small and medium-sized companies (SMEs), to address skills shortages. It will promote a mindset of reskilling and upskilling, and helping people to get the right skills for quality jobs.<sup>1</sup>

On behalf of the European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, Ipsos European Public Affairs carried out **Flash Eurobarometer 537 'SMEs and skills shortages'**. The survey is conducted in the 27 Member States of the European Union (EU), Iceland, Norway, Switzerland, the United Kingdom, North Macedonia, Turkey, the United States, Canada and Japan. Between 11 September and 13 October 2023, more than 19 350 enterprises (both SMEs and large companies) were interviewed via telephone. The methodology used is that of Eurobarometer surveys as carried out by the Directorate-General for Communication ("Media monitoring and analysis" Unit).

The main analysis presented in this summary report focuses on **SMEs in the EU** (13 253 interviews). The findings for SMEs are compared to those for large companies, with 250 or more employees, surveyed in the EU (855 interviews) and to those for SMEs in a selection of non-EU countries (3 925 interviews).

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<sup>1</sup> Source: [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/european-year-skills-2023\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/european-year-skills-2023_en)

Notes:

- 1) **Survey data are weighted** to known population proportions. The EU27 averages are weighted according to the size of the SME population of each EU Member State.
- 2) Survey results are subject to sampling tolerances meaning that not all apparent differences between countries or groups may be **statistically significant**.
- 3) Percentages may not add up to 100%, as they are **rounded to the nearest percent**. Due to rounding, it may also happen that the percentages for separate response options shown in the charts do not exactly add up to the totals mentioned in the text. Response percentages will exceed 100% if the question allowed respondents to select multiple responses.
- 4) In this report, countries are referred to by their official abbreviation. The abbreviations correspond to:

BE		Belgium	FR		France	NL		Netherlands
BG		Bulgaria	HR		Croatia	AT		Austria
CZ		Czechia	IT		Italy	PL		Poland
DK		Denmark	CY		Rep. of Cyprus	PT		Portugal
DE		Germany	LV		Latvia	RO		Romania
EE		Estonia	LT		Lithuania	SI		Slovenia
IE		Ireland	LU		Luxembourg	SK		Slovakia
EL		Greece	HU		Hungary	FI		Finland
ES		Spain	MT		Malta	SE		Sweden
IS		Iceland	UK		United Kingdom	US		United States
NO		Norway	MK		North Macedonia	CA		Canada
CH		Switzerland	TR		Turkey	JP		Japan

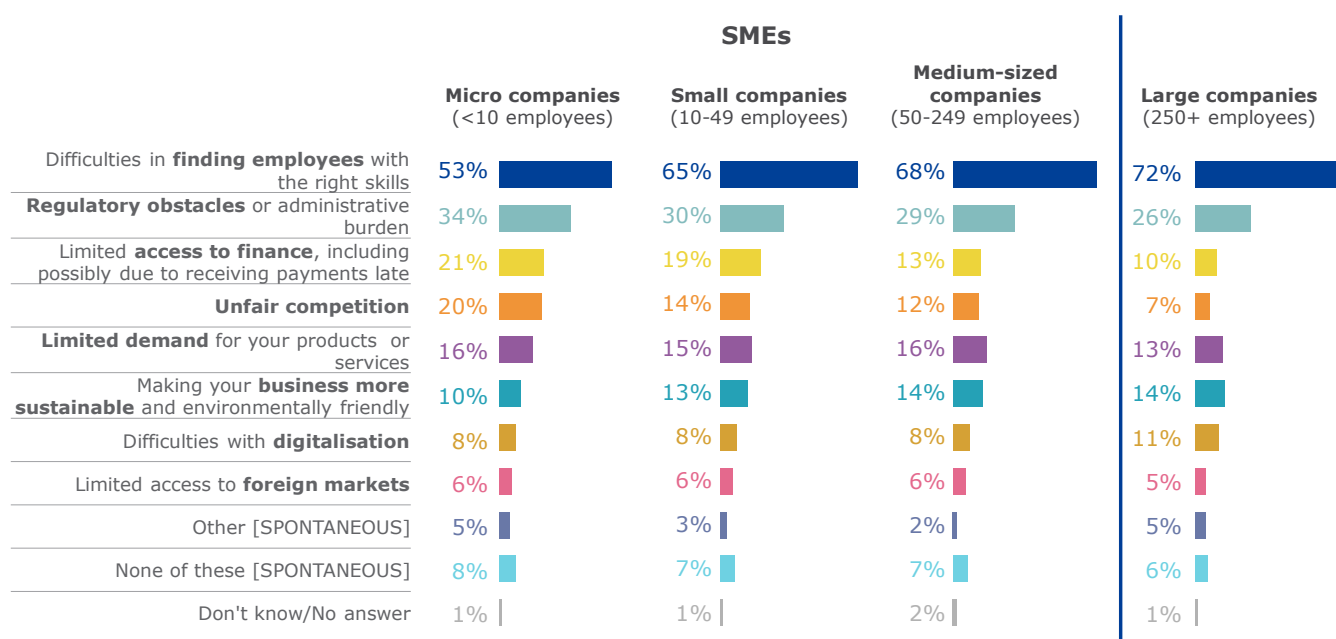
## Section 1. Skills shortages in SMEs

### Skills shortages are the top-ranking problem for SMEs, even more so for 'large' SMEs.

Presented with eight problems, from access to finance to unfair competition, the largest share of SMEs surveyed (54%) select **'difficulties in finding employees with the right skills' as (one of) the most serious problem(s) they currently face**. **'Regulatory obstacles or administrative burden'** (selected by 34% of all SMEs) and **'limited access to finance, including possibly due to receiving payments late'** (21%) complete the top-three of most serious problems faced by SMEs.

**Skills shortages are more frequently mentioned by large SMEs** – from 53% for micro companies (<10 employees) to 68% for medium-sized companies (50-249 employees). Respondents in medium-sized companies are nearly as likely as those in large companies (250+ employees) to identify skills shortages as a serious problem for their company (68% vs 72% in large companies).

**Q1** Which three of the following problems are currently the most serious ones for your company? (Multiple answers allowed) (% by company size, EU27)



Base: all SMEs (n=13 253) & all large companies (n=855)

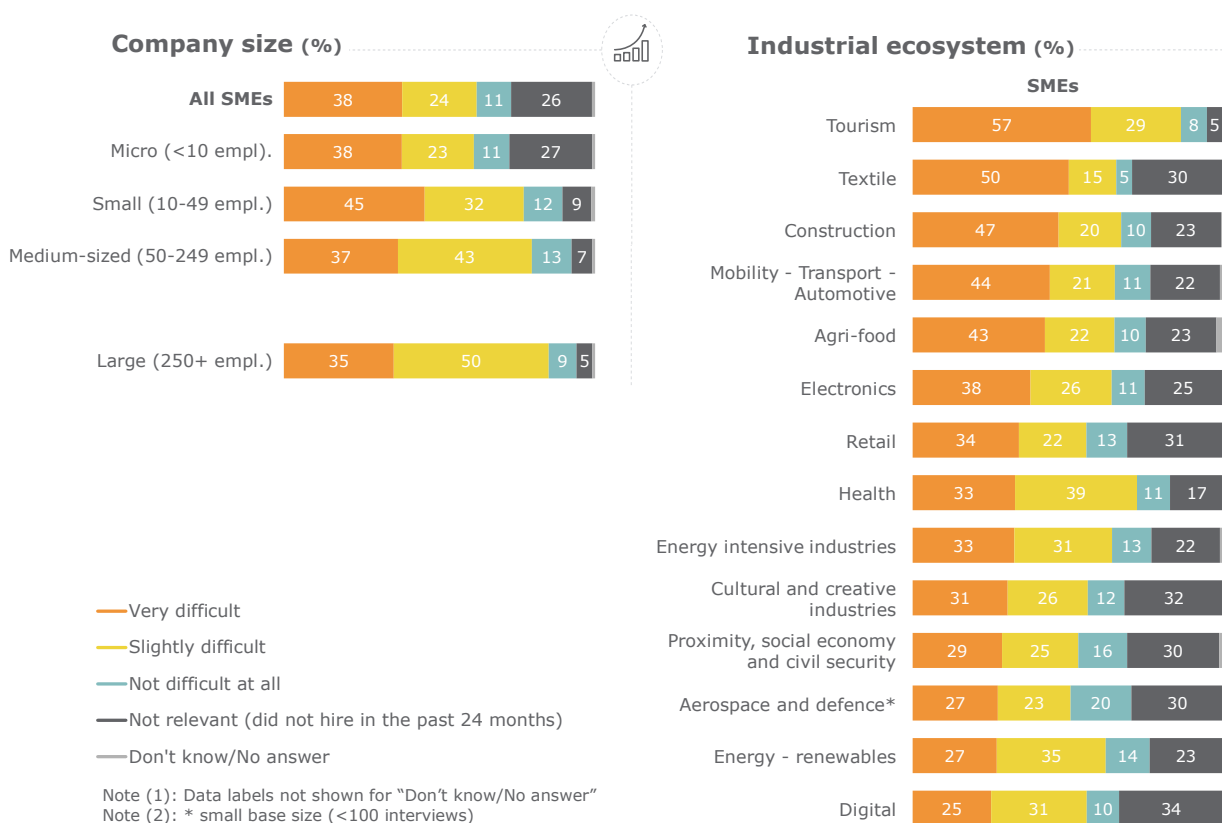
**Across all but one Member State (Poland), the largest share of SMEs select 'difficulties in finding employees with the right skills' as (one of) the most serious problem(s) they currently face.** Moreover, in 18 Member States, at least half of respondents select this problem – from 50% in Hungary and Ireland to 68% in Belgium. In Poland, respondents selecting 'regulatory obstacles or administrative burden' as a serious problem for their SME (54%) outnumber those selecting 'difficulties in finding employees with the right skills' (48%).

## Nearly four in ten SMEs found it 'very difficult' to find staff with the right skills in the past 24 months, 24% say it was 'slightly difficult'.

Nearly four in ten SMEs surveyed (38%) answer that, over the past 24 months, it was 'very difficult' to find and hire staff with the right skills; an additional 24% reply that this was 'slightly difficult'. This in contrast to just about one in ten SMEs (11%) answering that it was 'not difficult at all' to find staff with the right skills. The remaining SMEs (26%) respond that they did not hire any staff in the past two years.

About a quarter of micro companies (<10 employees) (27%) reply that they did not hire any staff in the past 24 months; this figure decreases to 7% for medium-sized companies (50-249 employees). Nonetheless, **across all sizes of SMEs, respondents describing their SME's experience with finding and hiring staff with the right skills in the past 24 months as 'very difficult' vastly outnumber those saying this was 'not difficult at all'**; this difference is the biggest for small companies (10-49 employees), with 45% saying it was 'very difficult' vs 12% 'not at all difficult'.

**Q2** Over the past 24 months, how difficult was it for your company to find and hire staff with the right skills? (% by company size and industrial ecosystem, EU27)



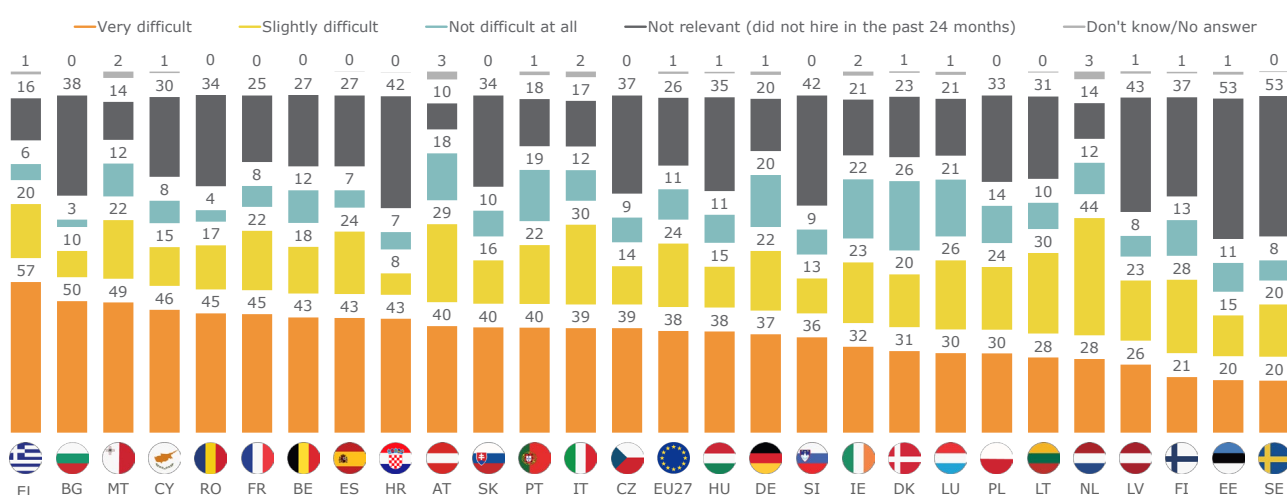
Base: all SMEs (n=13 253) & all large companies (n=855)



An **analysis by industrial ecosystems**<sup>2</sup> (see previous page) shows that there are large differences across ecosystems in the proportion of SMEs saying that, over the past 24 months, it was 'very difficult' to find and hire staff with the right skills. This proportion is the **highest for SMEs in tourism (57%), followed by SMEs in the industrial ecosystems 'textile' (50%) and 'construction' (47%)**. The lowest proportions are observed for SMEs in the industrial ecosystems 'digital' (25%), 'energy – renewables' (27%) and 'aerospace and defence' (27%).

The **individual country results**, first of all, show a large variation across countries in the proportion of SMEs surveyed that did not hire any staff in the past 24 months (from 10% in Austria to 53% in Estonia and Sweden). As such, there are also **important differences in the proportions saying that finding and hiring staff was 'very' or 'slightly difficult' for their SME**. For example, in Greece, 57% of SMEs describe this as having been 'very difficult', compared to 20% in Estonia and Sweden, and 21% in Finland. **Despite these differences, across all countries, not more than a minority of SMEs reply that they did not have any difficulties at all to find and hire staff with the right skills** in the past two years (from 3% in Bulgaria to 26% in Denmark).

**Q2** Over the past 24 months, how difficult was it for your company to find and hire staff with the right skills? (% by country, **EU countries**)

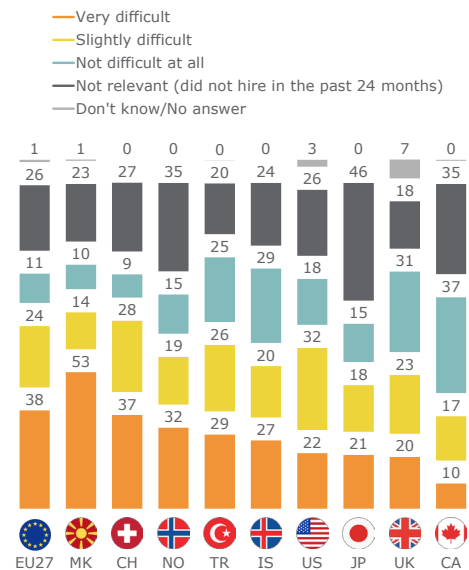


Base: all SMEs, EU27 (n=13 253)

<sup>2</sup> In 2020, the European Commission presented its industrial strategy. The strategy is supported by a focus on industrial ecosystems, taking into account all players within a value chain. So far, 14 industrial ecosystems have been identified based on their economic and technological relevance, and for their expected contribution to the decarbonisation, digitalisation and resilience of the EU economy.

The results for the **non-EU countries** present a **similar picture as those for the EU countries** with a large variation in the proportion saying that finding and hiring staff was 'very' or 'slightly difficult' for their SME. In **North Macedonia**, 53% of SMEs describe this process as having been 'very difficult' and 14% as 'slightly difficult'. In sharp contrast, in **Canada**, just 10% of SMEs reply that it was 'very difficult' and 17% that it was 'slightly difficult' to find staff with the right skills, while 37% answer that this was 'not at all difficult'. The proportion saying that finding staff with the right skills was '**not at all difficult**' is also high in Iceland (29%) and the UK (31%) – as noted above, **in all EU countries, this proportion is lower** and varies between 3% in Bulgaria and 26% in Denmark.

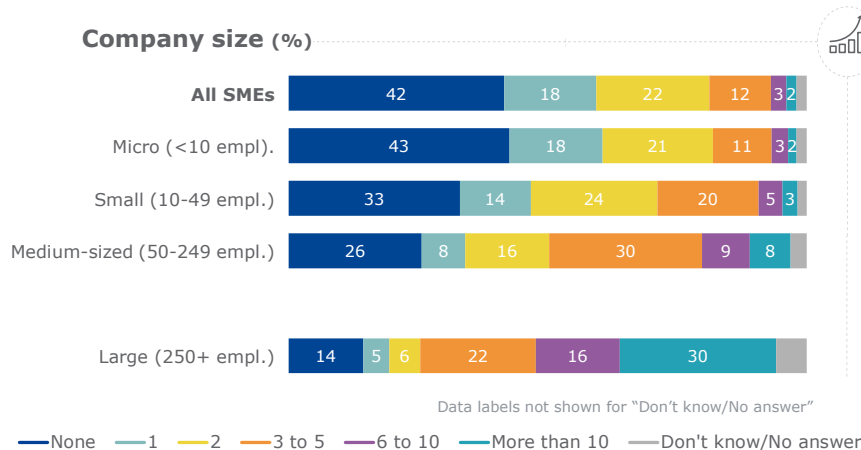
**Q2** Over the past 24 months, how difficult was it for your company to find and hire staff with the right skills? (% by country, **non-EU countries**)



Base: all SMEs, non-EU countries (n=3 925)

As noted above, about a quarter of SMEs surveyed reply that they did not hire any staff in the past 24 months. Additionally, 42% of SMEs, on average, currently have no positions to be filled if an appropriate candidate would be found. The figure, however, decreases to 26% for medium-sized companies (50-249 employees) and to 14% in large companies (250+ employees). Moreover, **in medium-sized companies, 30% of respondents reply that their SME has three to five positions to be filled if there would be appropriate candidates; in small companies (10-49 employees), this proportion is 20%**. Additionally, just under one in five medium-sized companies have more than five positions to be filled if there would be appropriate candidates (9% '6 to 10 positions' and 8% 'more than 10 positions').

**Q4** How many positions, in full-time equivalents, are currently to be filled in your company if there would be appropriate candidates? (% by company size, EU27)



Base: all SMEs (n=13 253) & all large companies (n=855)

## Few (or no) applicants and applicants without the right qualifications, skills or experience are the main reasons for SMEs' skills shortages.

SMEs that had difficulties finding and hiring staff in the past two years were presented with eight possible reasons for their skills shortage – from few or no applicants to a large number of staff retiring; however, **only two of these reasons were selected by large shares: 56% of respondents answer that their SME's skills shortage is caused by there being few or no applicants and 54% reply that applicants do not have the right qualifications, skills or experience.** The same picture – with these two reasons being the top-ranking ones – appears for all types of SMEs and for SMEs across all Member States.

A much smaller share, but still about one in five (21%), of SMEs reply that one of the main reasons they face a skills shortage is their inability to compete with offers made by other employers in terms of wage, benefits, work flexibility, etc.

**Q7a** What are the main reasons for your company's skill shortages? (Multiple answers allowed)  
(% EU27)



Base: n=9 342 (SMEs) – Faced with a skills shortage

**SMEs are most frequently faced with a skills shortage for technicians. Although backroom and administrative staff are job roles most likely to be present in SMEs, there are less skills shortages for this role.**

Respondents in this survey were presented with seven job roles and they were asked for each of these whether the job role exists in their SME and whether their SME faces any skills shortages for the job role.<sup>3</sup>

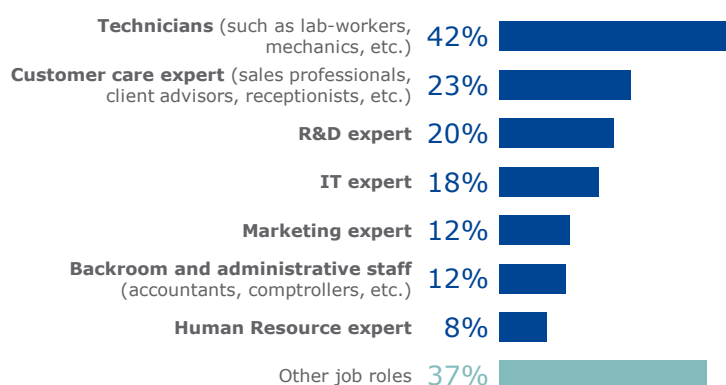
One in three SMEs surveyed (33%) employ technicians (such as lab-workers, mechanics, etc.). **About four in ten respondents (42%) in these SMEs with technicians report that they face skills shortages for this job role** – this is, by far, the most-identified job role with skills shortages.

In 39% of SMEs surveyed, there are customer care experts (sales professionals, client advisors, receptionists, etc.). **In these SMEs with customer care experts, 23% of respondents answer that there is a skills shortage for this job role.**

Although **backroom and administrative staff (accountants, comptrollers, etc.)** are job roles most likely to be present in SMEs (present in 52% of SMEs surveyed), respondents are less likely to reply that their SME faces a skills shortage for this role (12%).

On average, one in five respondents (20%) in SMEs with an **R&D expert** reply that they face a skills shortage for this job role; a similar proportion is also observed for **IT experts** (18%). The corresponding figure is 12% for marketing experts and 8% for human resource experts.

**Q6b** Does your company face skill shortages for any of these job roles? (% EU27)



Base: for each job role, SMEs in which the job role exists (n=732 to 8 369)

<sup>3</sup> Respondents could also reply that there are 'other' job roles present in their SME, in addition to the seven job roles listed in the survey. Respondents who indicated that there are one or more 'other' job roles present in their SME were next asked if they faced any skills shortages for these job roles.

Across most **industrial ecosystems**, the **most-identified job role with skills shortages are technicians (such as lab-workers, mechanics, etc.)**. In the ecosystem 'textile', 70% of SMEs with technicians report that they face skills shortages for this job role, compared to, for example, 28% of SMEs in the ecosystem 'digital'. In the ecosystem 'digital', the most-identified job role with skills shortages are IT experts (32%) – for this job role, a similar figure is observed in the ecosystem 'health' (32%). The largest shares of SMEs reporting a skills shortage for **customer care experts (sales professionals, client advisors, receptionists, etc.)** are observed in the ecosystems 'electronics' (40%) and 'textile' (36%). A skills shortage for **backroom and administrative staff (accountants, comptrollers, etc.)** is more frequently mentioned by SMEs in 'agri-food' (25%), 'tourism' (22%) and 'electronics' (21%).

**Q6b** Does your company face skill shortages for any of these job roles? (% by industrial ecosystem, EU27)

	Technicians (such as lab-workers, mechanics, etc.)	Customer care expert (sales professionals, client advisors, receptionists, etc.)	R&D expert	IT expert	Marketing expert	Backroom and administrative staff (accountants, comptrollers, etc.)	Human Resource expert	Other job roles*
Textile	70	36	1	1	1	11	7	32
Aerospace and defence**	62	9	55	33	6	15	0	18
Energy intensive industries	55	18	13	5	2	20	8	30
Energy - renewables	54	12	36	6	19	4	6	26
Mobility - Transport - Automotive	52	16	16	20	13	8	5	43
Health	51	25	6	32	9	10	0	21
Construction	48	14	20	16	6	10	10	42
Agri-food	47	19	23	5	5	25	12	35
Electronics	46	40	27	16	4	21	2	28
Retail	37	30	20	12	15	10	6	26
Proximity, social economy and civil security	34	33	31	12	11	14	9	41
Tourism	30	34	4	33	6	22	21	46
Digital	28	24	16	32	23	11	6	19
Cultural and creative industries	19	23	16	21	17	8	1	31

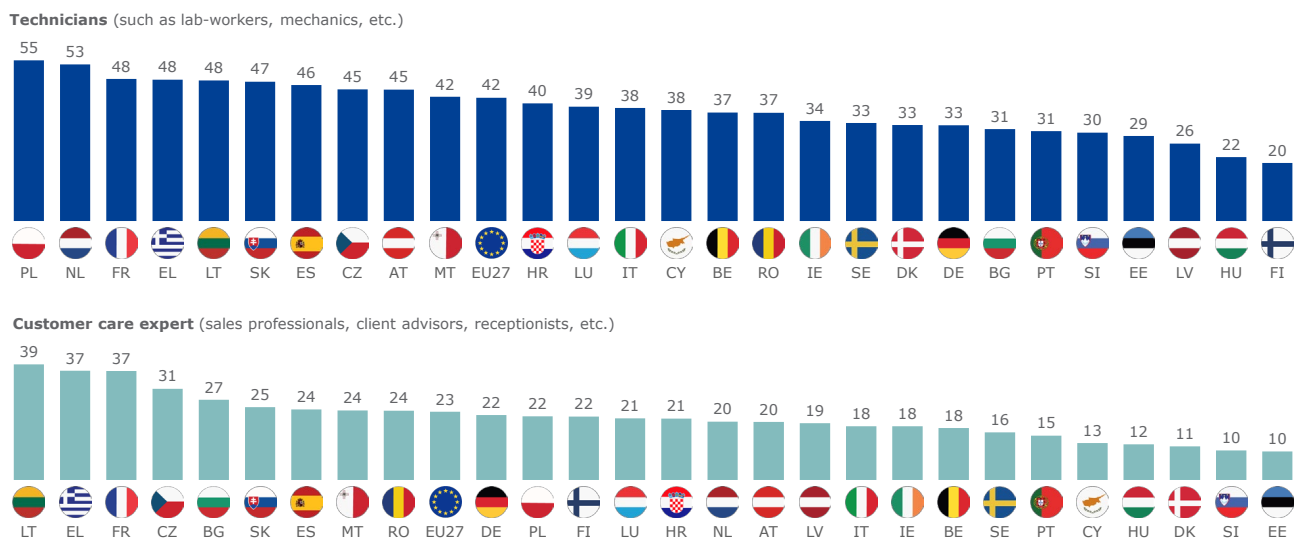
Note (1): The higher the proportion selecting a job role, the **darker blue** the cell. The job role with the highest share of skills shortages for each industrial ecosystem is shown in **orange**.

Note (2): \* respondents could indicate that there are 'other' job roles present in their SME (meaning any job roles in addition to the seven job roles listed in the survey). \*\* Small base size (<100 interviews)

Base: for each job role, SMEs in which the job role exists (n=732 to 8 369)

In SMEs with **technicians (such as lab-workers, mechanics, etc.)**, the proportion being faced with a skills shortage for this role ranges from 20% in Finland and 22% in Hungary to 53% in the Netherlands and 55% in Poland. In SMEs with **customer care experts (sales professionals, client advisors, receptionists, etc.)**, the proportion of respondents answering that there is a skills shortage for this job role in their SME ranges from 10% in Estonia and Slovenia to 37% in France and Greece, and 39% in Lithuania.

**Q6b** Does your company face skill shortages for any of these job roles? (% by country)

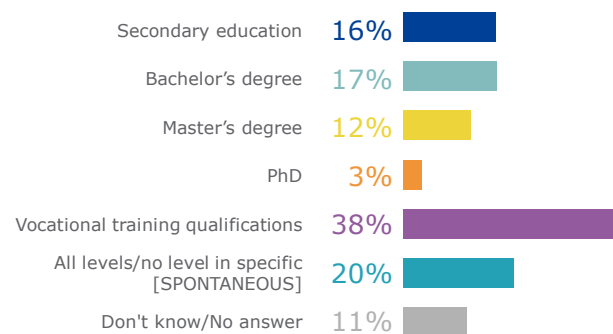


Base: for each job role, SMEs in which the job role exists

Asked about **which qualification/educational levels their SME finds the most difficult to recruit**, the largest share of SMEs (38%) say this are **vocational training qualifications (from master level, journeyman down to apprentice level)**. By comparison, 17% of SMEs mention, for example, bachelor's degrees. It is also worth adding that 20% of respondents *spontaneously* say that this applies to all levels or no levels in particular.

Vocational training qualifications are more frequently mentioned by SMEs in the industrial ecosystems 'construction' (50%) and 'Mobility - Transport - Automotive' (49%), compared to SMEs in the ecosystems 'digital' (18%) and 'cultural and creative industries' (22%).

**Q5** Which qualification/educational levels does your company find the most difficult to recruit? (Multiple answers allowed) (% EU27)



Base: all SMEs (n=13 253)

## Section 2. Impact of skills shortages

**Increased workload for existing staff seen as the most likely impact of skills shortages. Most SMEs see no skills shortages impact on their ability to employ more IT technologies or reduce their environmental impact.**

**Increased workload for existing staff** is identified by the overall largest share of SMEs (48%) as **a consequence of skills shortages in their company**. The proportion selecting this impact is higher in medium-sized companies (50-249 employees) (55%) than in smaller SMEs (<50 employees) (47%-49%). Increased workload for existing staff is the most-cited impact of skills shortages in almost all Member States and the proportion selecting this impact ranges from 13% in Lithuania to 60% in Belgium.

About three in ten SMEs, on average, see an impact in terms of **loss of sales or problems with expanding sales** as a consequence of skills shortages in their company. The proportion of SMEs selecting this impact decreases with size of the SME – from 31% for SMEs with less than 50 employees to 22% for medium-sized companies.

The next four impacts are mentioned by between one in five and one in four SMEs: reduced profitability and growth (25%), reduced productivity (25%), increased production costs (23%) and problems in maintaining product/service quality (22%). Just 8% of SMEs see an impact of skills shortages in reduced R&D or reduced innovation activity.

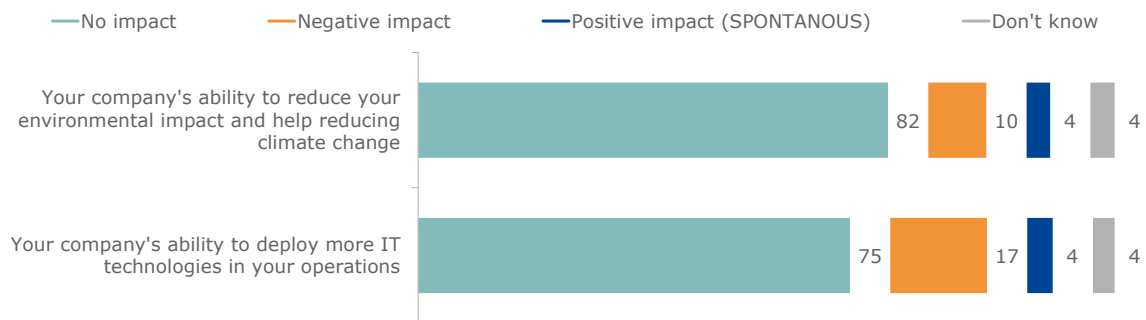
**Q8** What impact does the skill shortage have on your company? (Multiple answers allowed)  
(% EU27)



Base: n=9 342 (SMEs) – Faced with a skills shortage

Although respondents identify various impacts of skills shortages in their SMEs (such as increased workload for existing staff and loss of sales or problems with expanding sales – see previous page), they are **less likely to see an impact on their SME's ability to employ more IT technologies in their operations** (17% 'negative impact' vs 75% 'no impact') or **their ability to reduce environmental impact and help reducing climate change** (10% 'negative impact' vs 82% 'no impact'). A similar picture emerges for all types of SMEs and for SMEs across all Member States; in other words, based on SMEs' own assessment, the impact of current skills shortages on the EU's twin green and digital transitions is limited.

**Q9** Do the skill shortages faced by your company have an impact on...? (% EU27)



Base: all SMEs (n=13 253)

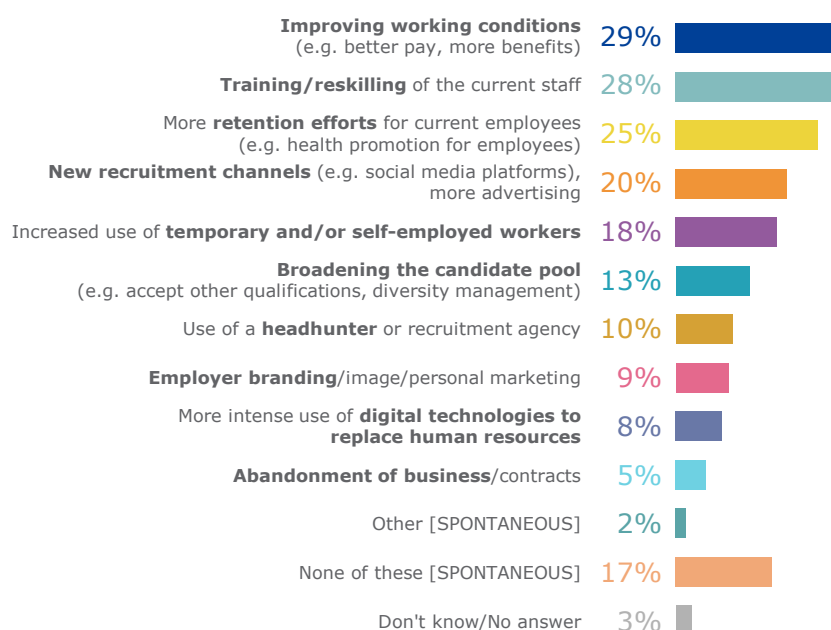


## Section 3. Addressing skills shortages

### Improving working conditions, training/reskilling and retention efforts are the measures most taken by SMEs to address skills shortages.

Respondents were presented with ten measures to address skills shortages and they were asked if they had taken any of these in the past two months. **The top-ranking measures taken by SMEs to address skills shortages** are **improving working conditions** (e.g. better pay, more benefits) (selected by 29%), **training/reskilling of the current staff** (28%) and more **retention efforts** for current employees (e.g. health promotion for employees) (25%). One in five SMEs (20%) reply that they used new recruitment channels (e.g. social media platforms) or more advertising, and 18% report to have increased the use of temporary and/or self-employed workers.

**Q11** In the past two years, what measures, if any, has your company taken to address skills shortages? (Multiple answers allowed) (% EU27)



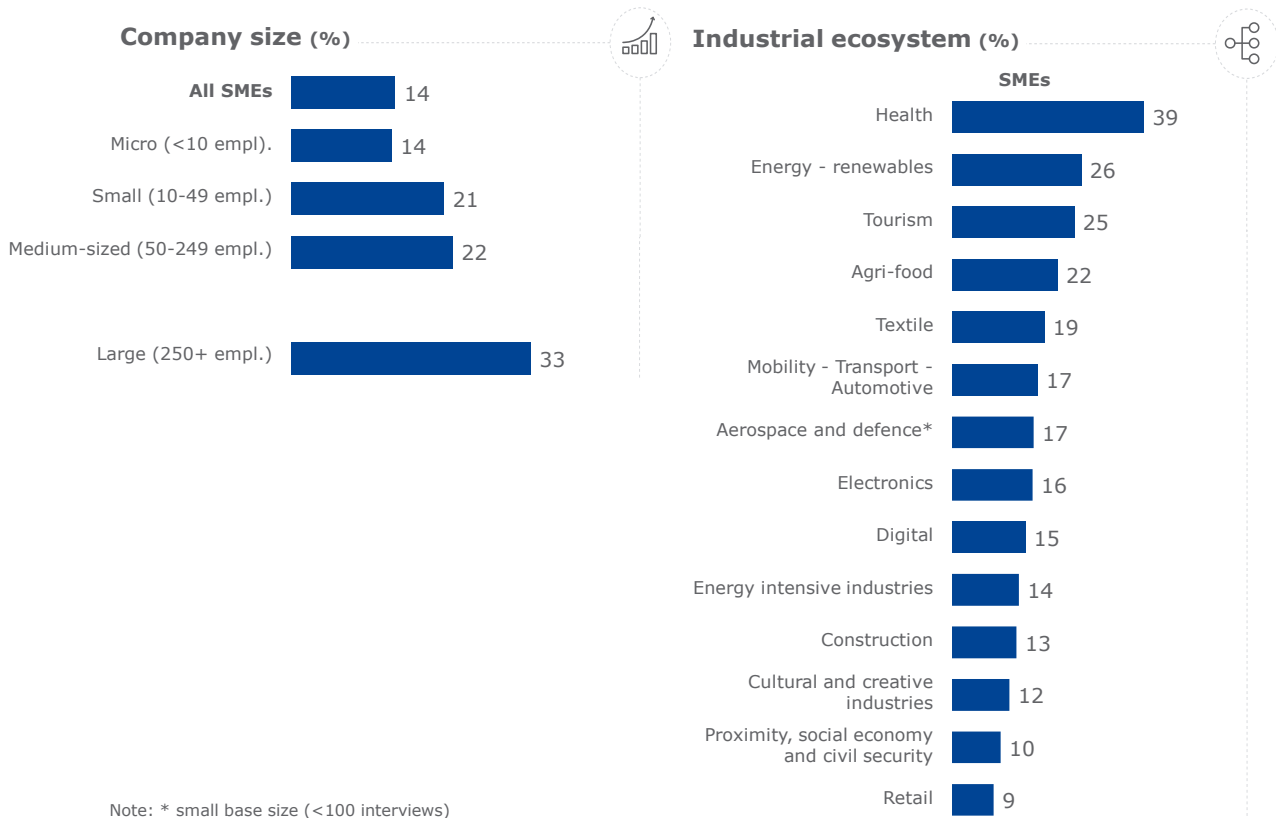
Base: all SMEs (n=13 253)

### One in seven SMEs have tried to solve their skills shortage by hiring talent from other EU countries.

One in seven SMEs (14%), on average, report that they have **tried to hire talent from other EU countries to solve their skills shortage**. In small (10-49 employees) and medium-sized (50-249 employees) companies, this proportion amounts to more than one in five (21%-22%). An analysis by industrial ecosystems shows that SMEs in the 'health' ecosystem are overall the most likely to have

tried to hire talent from other EU countries to solve their skills shortage (39%), while those in the 'retail' ecosystem are the least likely to have tried this (9%).

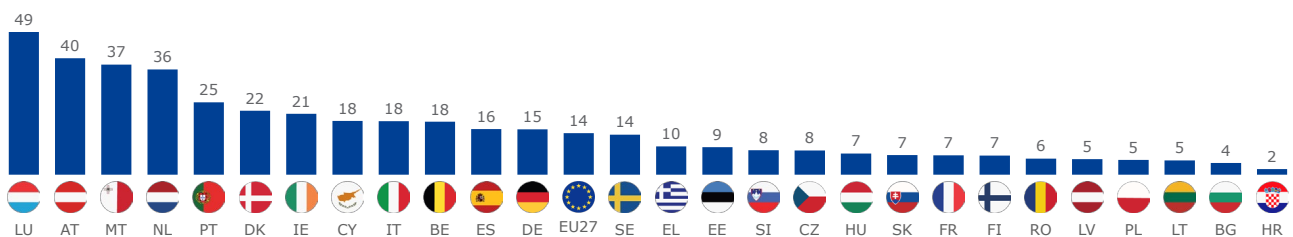
**Q16** Have you tried to hire foreign talent to solve your company's skills shortage? (%% 'Yes, from other EU countries' by company size and industrial ecosystem, EU27)



Base: all SMEs (n=13 253)

At the individual country level, the proportion of SMEs that looked for staff in other EU countries to solve their skills shortage varies between 2% in Croatia and 49% in Luxembourg. Countries close to Luxembourg are Austria (40%), Malta (37%) and the Netherlands (36%).

**Q16** Have you tried to hire foreign talent to solve your company's skill shortage? (% 'Yes, from other EU countries' by country)



Base: all SMEs (n=13 253)

## A large share of SMEs did not need external support to find skilled staff. One in five SMEs could not find suitable external support.

More than four in ten (44%) SMEs report that, in the past two years, they did not need external support to find skilled staff, but there are also one in five SMEs (20%) answering that they could not find suitable external support. The proportion of SMEs that could not find suitable external support varies considerably across Member States (between 6% in Denmark and 37% in Bulgaria).

**In total, 23% of SMEs report having received some form of external support to find skilled staff in the past two year.** For example, 11% of SMEs received support in providing training to their staff (e.g. programmes funded by an external entity), 7% received direct subsidies (e.g. a grant or subsidies given to their company to tackle skills shortages), 7% was supported with consulting and advice (e.g. advice to help navigate legal complexities that are a barrier to tackling skills shortages) and 7% mentioned fiscal incentives (e.g. a tax moratorium, tax deductions of social security or corporate tax etc.).

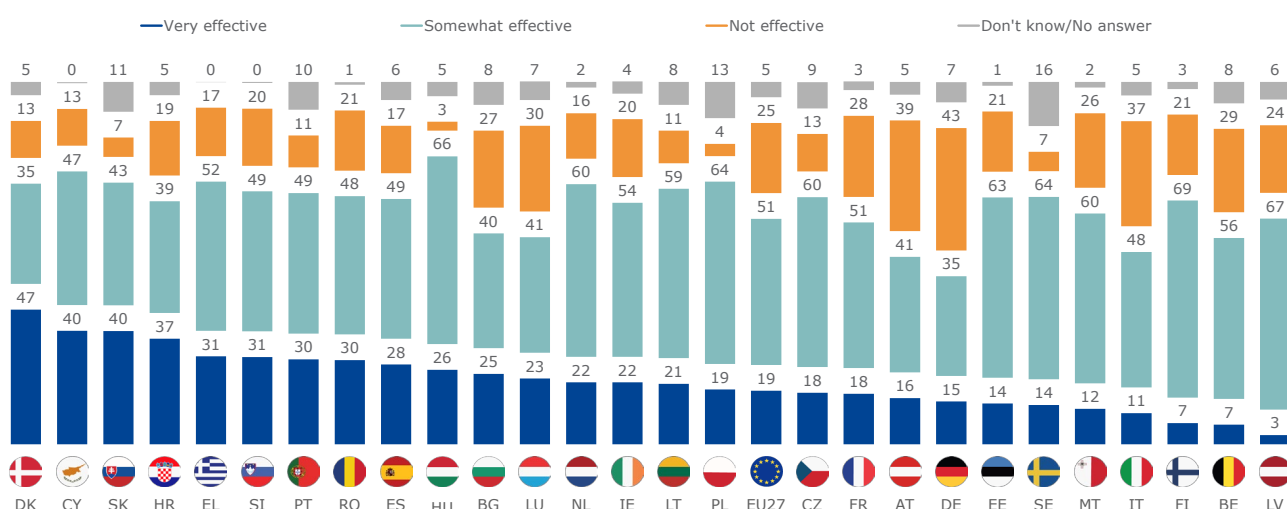
**Q12** In the past two years, what type of external support did your company receive to find skilled staff? (Multiple answers allowed) (% EU27)



Base: all SMEs (n=13 253)

Among SMEs that have received external support to tackle their skills shortage problems, **19% reply that the external support received was 'very effective' and 51% that it was 'somewhat effective'**. The proportion of SMEs evaluating the external support received to be 'very effective' varies between 3% in Latvia and 47% in Denmark; the proportion answering that the support received was 'somewhat effective' ranges from 35% in Denmark and Germany to 67% in Latvia. In three Member States, more than a third of SMEs describe the external support received as 'not effective': Italy (37%), Austria (39%) and Germany (43%).

**Q13** Overall, how effective was the external support received to tackle the skills shortage in your company? (% by country)



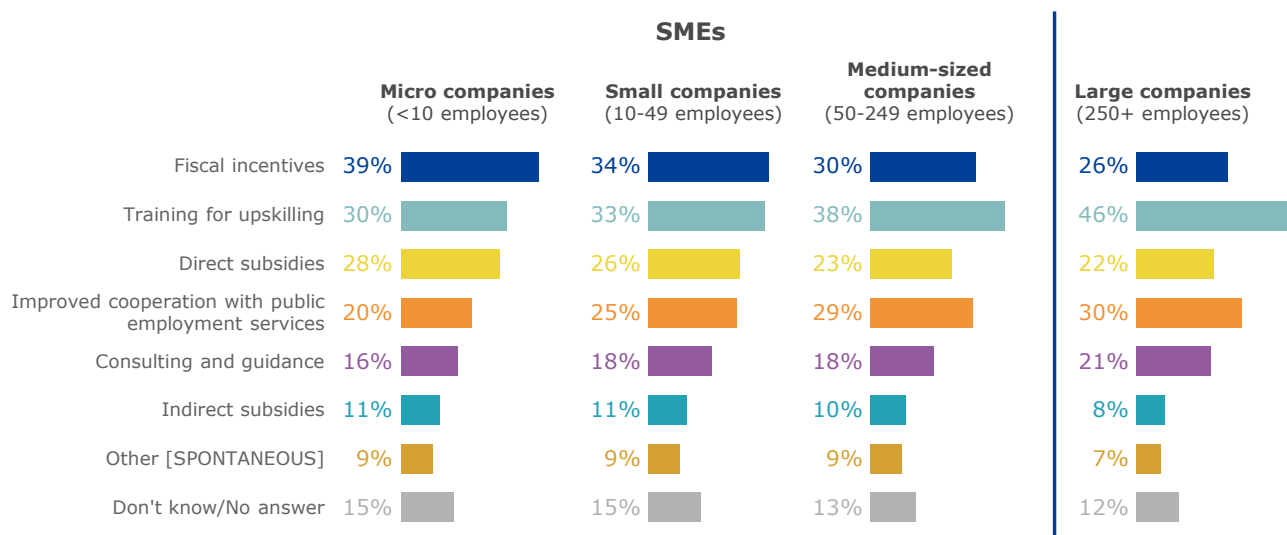
Note: caution should be exercised when interpreting the results of the individual countries, due to low base size in many countries (<100 interviews)  
Base: n=3 565 (SMEs) – External support received

### Fiscal incentives, training for upskilling and direct subsidies seen as most useful types of external support to tackle skills shortages, but variation in preferences between SMEs of different size.

**Fiscal incentives** (e.g. a tax moratorium, tax deductions for social security or corporate tax, etc.) are selected most frequently by SMEs as **(one of) the most useful type(s) of external support to help them tackle skills shortages** (selected by 38% of all SMEs). Fiscal incentives are followed by **training for upskilling** (e.g. upskilling training programmes funded by an external entity) (selected by 30%) and **direct subsidies** (e.g. a grant or subsidies given to their company to tackle skills shortages) (28%) – by comparison, indirect subsidies (e.g. financial credit to tackle skills shortages) are selected by just 11% of all SMEs. Improved cooperation with public employment services is mentioned by 21% and consulting and guidance (e.g. advice to help navigate legal complexities that are a barrier to tackle skills shortages) by 16%.

There are some differences by **size of the SME (number of employees)** in terms of the types of external support seen as most useful to tackle skills shortages. For example, the proportion of SMEs selecting **fiscal incentives** (e.g. a tax moratorium, tax deductions for social security or corporate tax, etc.) **decreases with size of the SME** – from 39% of micro companies (<10 employees) to 30% of medium-sized companies (50-249 employees) and 26% of large companies (250+ employees). The proportions selecting **training for upskilling** (e.g. upskilling training programmes funded by an external entity) and **improved cooperation with public employment services increase with size of the SME**. For example, 38% of respondents in medium-sized companies select training for upskilling as (one of) the most useful type(s) of external support to help their company tackle skills shortages, compared to 30% of respondents in micro companies (note: the proportion expressing a preference for support in the form of training for upskilling is overall the highest for large companies – at 46%).

**Q15** What type of external support would be the most useful for your company to tackle skill shortages? (Multiple answers allowed) (% by company size, EU27)



Base: all SMEs (n=13 253) & all large companies (n=855)

