



What was the impact of the pandemic in Aveiro? - The voice of companies

As the various countries entered confinement, people were forced to maintain social distance and to work at home, leading many businesses to experience the impact of the pandemic. Digital technologies have thus become a key pillar in this new phase of countries' lives. Covid-19 has challenged companies to change during the pandemic. To some extent this push for digital transformation has triggered what was already known: there is no choice, the digitalisation of the economy is a reality.

Online shopping, video conferencing, online events, home office and online classes are already part of the new routine. The formal education system has also undergone change, with distance learning efforts. In short, these necessary adaptations have led small and large businesses to review their way of behaving in the market and their vision towards a greater digitalisation of their processes.

Companies felt the need to become digitally flexible. Even companies that previously resisted adopting digital systems are now using video conferencing, document sharing, and enjoy all the benefits that technology can bring to support the (forced) confinement caused by the pandemic.

In contrast, information security is an essential factor in the world of business and this is also one of the greatest challenges facing us

today. Companies that are in more advanced processes of digitalisation present an advantage that puts them in the leadership of this reality.

The impact of the pandemic on companies was one of the subjects addressed in the interviews conducted, in recent weeks, by the Labour Observatory team with companies in the ITCE and Industry sector, in Aveiro. These interviews are part of the research activities that aim to identify the priorities and qualification needs of Aveiro related to the digital transformation in the regional labour market. A key evidence suggested by the results of the interviews is the benefits associated to the shift for remote work office, an argument that was mentioned by most of the companies. All the companies interviewed had, at least part, of their workers working from home. The shift to this model of work was generalized except for some industries whose operations characteristics did not allow for the production to be conducted remotely.

The companies reported that the home office process took place naturally and only a few adjustments were necessary for the implementation of some (not new) tools, mainly related to security issues. Among the media used, Skype was the most cited, being mentioned by 40% of the companies,

followed by Microsoft Teams and Zoom which were also cited by 30% of the companies.

Companies also highlighted some advantages associated with remote work, including productivity gains for some teams, as well as lower travel costs. Likewise some interviewees mentioned observing increased objective meetings and the reduction in the volume of emails. The need for providing psychological support for the employees who had more difficulties to adapt, because they were more extroverted, was highlighted in the interviews.

In summary, the companies mentioned that working at distance can be as productive as working at the office. This experience was important to dispel the fears associated with digital/working platforms and made it easier for the tools to prove to be very useful to avoid some of the inconveniences of not having face-to-face work. Most companies even consider keeping telework in some areas of the company. The results of the Labour Observatory thus suggest that the migration of some functions to remote and distributed work models is an unequivocal trend in the region, and for this process it will be necessary to design adequate training responses in the very short term.

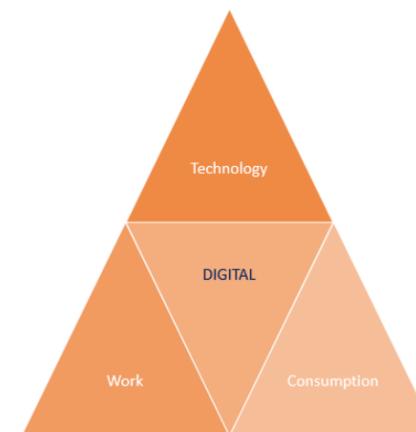
The acceleration of the economy's digitalisation

The current world situation, as a result of the new Covid-19 virus, has led us to rethink what society will look like in the future, especially the future of working models and job contexts. The transformations in daily life and in the organization of work were sudden and had an impact on the way we live, consume and relate. Technology has assumed a fundamental role in achieving the balance between the needs to preserve health conditions and to keep production and supply chains operational.

Technology plays a fundamental role in this new paradigm of work and life. Digitisation and the (rapid) digital transformation of living and working environments has proven to be essential for the economy to keep going. This new reality was for many unthinkable until recently.

However, the circumstances of confinement have accelerated the changes that, in the vision of many companies, will bring structural changes in work and business models. It is possible to enumerate three of the pillars that will underlie these models:

Figure 1 - Pillars to accelerate digitalisation in the economy



Technology

In the current context, Information, Communication and Electronic Technologies (ITCE) is crucial for the development and competitiveness of countries. Elements such as connectivity of territories are critical in a context where thousands of people are conducting tasks remotely. Therefore, resources must be channeled to support this new demand. Additionally, these information-, interaction- and knowledge-intensive contexts create unprecedented opportunities for advances in fields such as security, data science or artificial intelligence.

[Home office] Work

The transfer of some functions to home office models is a reality and many companies will maintain, fully or partially for all their works, even after the end of the pandemic. Among the benefits that are recognized include cost reductions increased productivity and flexibility. But its viability requires a reflection on how to work and evaluate each member of the team, as well as rethinking the role of leaders in teams. What is important is not only to provide the skills and tools needed for remote work, but also forms of assessing and monitoring that do not include presence in the office.

Consumption [Online]

The e-commerce that already existed gained greater consumer confidence and today presents itself as a new opportunity for various sectors. The need for new online offer of products and services, aimed at entertainment, banking, health, education, and others, represent advantages for many companies for their consolidation in the market and as a bet on new business or new markets, generating positive impact. According to recent Eurostat data, online purchases in Europe increased last March by 11.9% compared to the same period last year.

These three pillars may be seen as axes of change, to be considered by companies, i.e. each organization should ask itself whether 1) it has the appropriate technology, 2) it is able to change or review its work models and incorporate telework in an adequate model that suits the company and its employees, 3) how has the way its customers choose to consume the company's products/services changed, i.e. what part of consumption went digital? What are the difficulties? What are the opportunities?

These times offer new opportunities for us to work in the middle of digital transformation and to build a more connected and safer world for everyone. It will certainly be difficult to return to the old "normal" when the pandemic is over, but we can build a new reality with advantages for everyone. All these changes will necessarily lead to several qualification and requalification needs.



Did you know?

The Network Readiness Index (NRI) is one of the leading global indices concerning the application and impact of information and communication technology (ICT) in economies around the world. In its latest version, in 2019, the NRI Report mapped the network readiness scenario of 121 economies according to their performance in four different pillars: Technology, People, Governance and Impact. Each of these pillars consists of three sub-pillars (Figure 1) that include a total of 62 variables. According to this index, Portugal ranks as 28th out of 121 economies included in NRI 2019 (Figure 2). The main strength pointed out in the analysis concerns technology, when assessing the level required for a country's participation in the global economy. The greatest opportunity for improvement pointed out to Portugal concerns the impact, which summarizes the assessment of the effects on the economic, social and human components of participation in the network economy.

Figure 1 - The NRI 2019 model

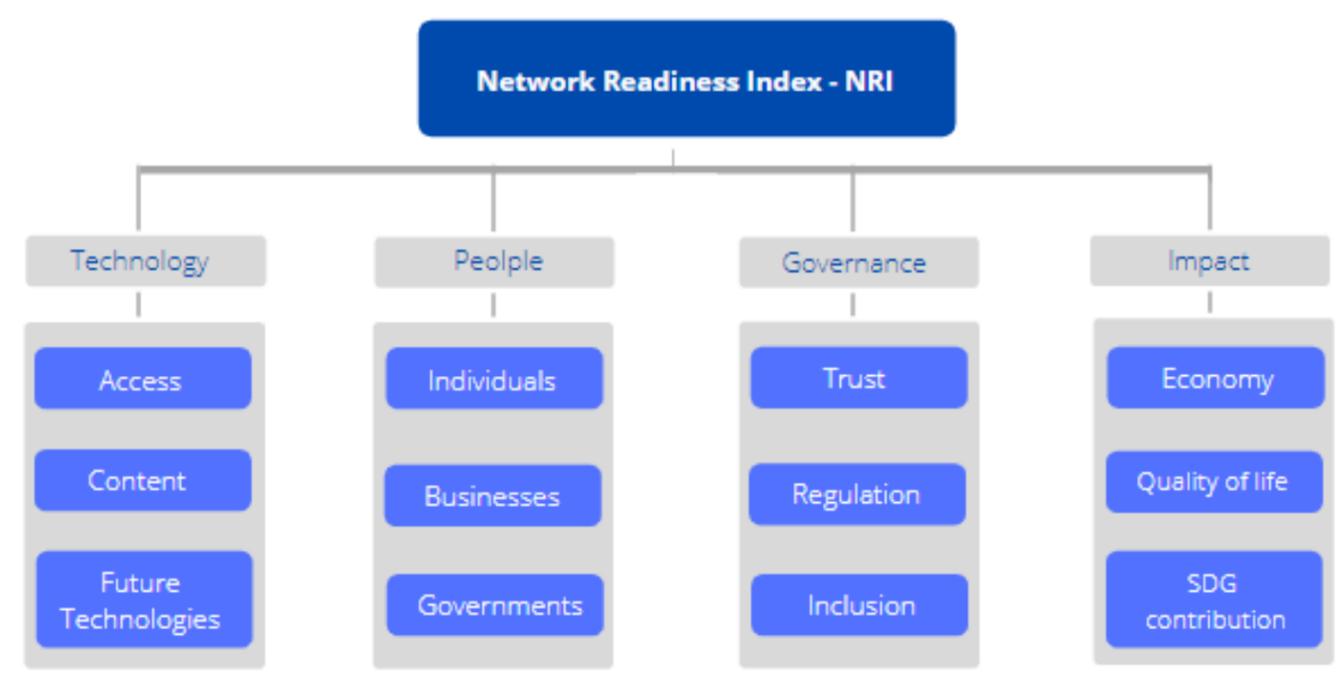
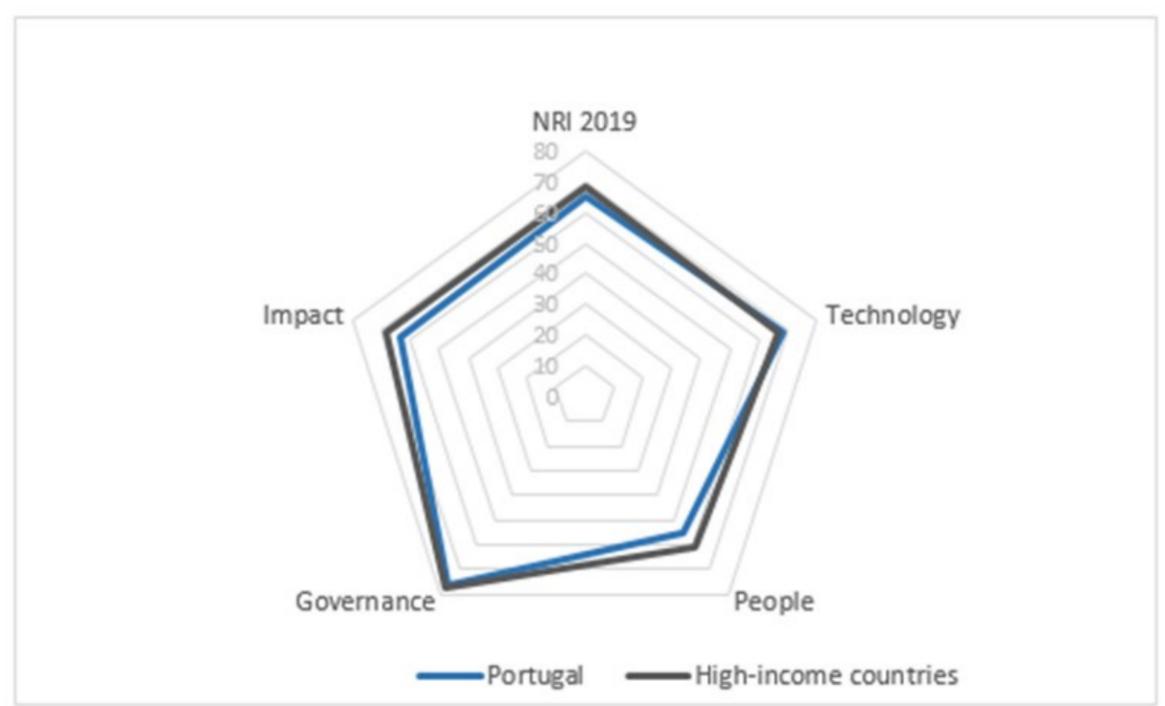


Figure 2 - Performance of Portugal against its income group, overall and by pillar



Source: Network Rediness Index



Next steps...

The online survey on skills and the future of work is already available on the Labour Observatory website and is accessible in the link: <http://observatoriodoemprego.web.ua.pt/>

This survey is part of the set of actions of the Labour Observatory whose objective is to identify priorities and training needs for digital transformation in Aveiro. This survey is aimed at workers and companies in the ITCE and Industry sector in Aveiro and aims to investigate what skills are needed in the labour market, what are related training needs, as well as how companies conduct their search for new talented professionals.

The final aim of this survey will be to complete the ongoing diagnosis of the skills needs to support the digitalisation in Aveiro. The results of this work will inform the development of the training programs that will be offered later in the project. These training actions will be aimed not only at workers in the Information Technology, Communication and Electronics (TICE), Industry and Tourism sectors, but also at young graduates looking for new skills development.

Also news are the forthcoming 4 mini e-books addressing digital transformation, skills and the future of the work that resulted from the first round of work of the Observatory through workshops and interviews involving companies from different business sectors. These publications will cover the following topics: labour market, future professions, technical skills and transversal skills.

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To learn more about the Urban Innovative Actions: <https://www.uia-initiative.eu/en/uia-cities/aveiro>

To learn more about the project: <https://www.aveirotechcity.pt/pt/atividades/observatorio-do-emprego>

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