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# SWIFT SME

Smart Working: Innovative & Flexible Training for SME  
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## Mapping the Smart Working phenomenon

### Intellectual Output 2

#### *PART A: Executive Summary of Findings and Results*

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## Scope and scale of the research: an introduction to contents available for readers

In November 2020, the SWIFT Consortium launched a very detailed and in-depth research aimed at mainstreaming and stock-tacking relevant trend and dynamics pertaining to the phenomenon of smart working<sup>1</sup> with particular consideration of its evolving throughout the pre- and post-COVID crisis.

In consideration of the specific targets of the project (and people/organisation which might potentially benefit the publication of this document), partners focused their research efforts on SMEs and their ‘responsiveness’ and resilience to the new operation context: specifically, our objective was to investigate quantitative and qualitative indicators on smart working in Europe and all countries represented by the partnership (Germany, Italy, Romania, Spain); highlight further challenges, skill-gaps and need assessments; extrapolate new and/or established opportunities for training and education on smart working for employers and employees.

This cross-national research took nine months and collected relevant inputs and results from both secondary and primary resources. In fact, partners carried out the mapping activities from two different fronts of analysis: on one hand, we looked at reliable and trustworthy literature sources published by international and national institutions; on the other, we conducted also a survey with the specific goal to collect meaningful insights from employees and employers from all over Europe on their overall reactions to smart working.

The report is structured as follows:

- **PART A** – Comprehensive presentation of key findings from literature reviews conducted by partners. Results are organised per country and are available on all languages formally represented by the SWIFT partnership.
- **PART B** – Collection of all reports finalised by partners and presented to readers in their integral form (available in English only).
- **PART C** – Table resuming results emerging from the survey (available in English only).

Key findings from the analysis are instrumental to inform the further implementation phase of the project, which includes the development, testing and finetuning and of education material on smart working for small-medium enterprises.

Thanks to the research activities conducted throughout the considered period, partners have been able to stock-take some training areas that seems more crucial than others to help SMEs and employers in transition into the digital domain and exploit remote management solution in their favour as an opportunity for better effectiveness and efficiency, rather than a threat.

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<sup>1</sup> In the specific context of this research, and the sake of convenience in presentation of data and results, the term ‘smart working’ is assumed as synonymous of ‘remote working’ and ‘telecommuting’.

## **Presentation of key findings: a comprehensive overview**

In the following paragraphs, readers have the opportunity to familiarise with the most important outcomes as highlighted by each partner in reference to their geographical context of reference (Europe for IHF asbl; Germany for Centrum für Innovation und Technologie GmbH and MRK Consulting; Italy for IDP European Consultants; Romania for Kleinon SRL and Spain for IT sfa).

These outcomes pertain to critical need-assessment and skill-gaps identified by partners. For a detailed showcase of quali-quantitative trends and dynamics pertaining to the phenomenon of smart working, readers are invited to refer to the consolidated country reports in PART B.

## GERMANY

The German country profile indicate strong correlations between SMEs' resilience, digitalisation rate and 'cultural predisposition' to flexibility and trust-based managerial models. Studies show, that for many German companies, the home office works much better technically than originally assumed and that it offers significant savings potentials. With regard to digitization, the CORONA-crisis clearly showed that activities can be moved more quickly to the home office.

A pronounced ability to change, flexibility and agility are particularly essential in the New Work movement. If one wants to describe New Work, this can be done most concretely via some essential, central concepts or dogmas, even if these can be translated very differently into everyday working life. These take effect on different levels: requirements arising from external change, changes in the employee structure and individual motivation:

### **ABILITY TO CHANGE**

Fast and efficient adaptations to changing conditions, both at the level of the company and of individual employees. It requires resilience (psychological resistance) and the will to not only accept change, but to be able to use it productively.

### **FLEXIBILITY and AGILITY**

Co-working spaces, flexitime models and location-independent working options, e. g. working in a home office, are increasingly emerging – as they effectively should. Agility describes the need not only to create flexibility in terms of working space and time, but also to practise methods and optimise processes so that future changes can be recognised and designed at an early stage (see Scrum or Design Thinking). The increasing flexibilization is also reflected in a new employee structure.

### **FLAT HIERARCHIES**

In some cases, the fixed position of the boss is being abolished altogether and replaced by so-called competence-based hierarchies. Clear and rigid hierarchies are softening, becoming more permeable and making employees more responsible. Self-management is becoming a central skill; leadership must be rethought and lived.

### **SELF-MANAGEMENT and LEADERSHIP**

When the control 'from above' decreases, a free space is created on the part of the employees, who now have to manage themselves. Self-management requires the corresponding ability to make independent decisions about which tasks are to be completed and how. It would be a fallacy to conclude that there is less (or no) need for leadership in New Work. However, a new leadership culture relies on situational, supportive leadership, often as a kind of coaching of employees in their development. This kind of leadership promotes the development of the potential of individual employees. Employees are not seen as faceless workers who are kept in highly standardised processes in individual office boxes, but rather are allowed self-development and in return are demanded a lot of self-motivation.

### **MEANING IN WORK**

This is a demand that more and more employees are making - even with the even willing to give up their salary in return. This is often associated with the values of commitment, freedom and participation in the community.

### **WORK-LIFE BALANCE**

The right balance between professional between professional demands and private needs has been a central a central buzzword in the new world of work. Broadened to 'work-life blending', it is a question of combining the seemingly distinct worlds of work and private life with each other.

## ITALY

For the most, the Italian SMEs ecosystem is unprepared to adapt to what many authors and professionals consider the “new normality” of work, business and people management. The national context is penalised by, firstly and foremost, an historical skill-gap in ICT and digitalisation – both at business and society level. This lag is particularly pronounced among SMEs typically operating in non-urban areas and non-IT intensive sectors. As such, from an organisational culture perspective, smart working, never gained the same traction and interest as in many others EU countries.

Entrepreneurs are recommended not to limit their perception of smart working-related phenomena (and benefits) based purely on the idea of employees’ management from remote. Smart working comes also with new potential opportunities to favour innovative cooperation models with socio-economic actors that are of relevance for entrepreneur’s activities.

According to findings, key inhibitors preventing Italian SMEs from such cultural and operative ‘switch’ can be reconducted to three factors:

### **IT and CYBERSECURITY**

COVID-19 brought under the limelight the unpreparedness of Italian micro- and small-medium enterprises to cybersecurity and “cyber-higiene”, so much so to lead critiques in talking about cyber-pandemic. Cybercriminals exploited in their favour the transition of economies and societies into the digital domain.

### **BUSINESS MODELLING and HR**

Communication and coordination from remote proved to be quite a significant challenge for many small organisations. SMEs’ managerial style in Italy is typically “control-driven”, the introduction of smart working model put in crisis the traditional HR models sustained and encouraged by many entrepreneurs and employers. The loss of control perceived by many entrepreneurs triggered even more rigid monitoring routines that not only are inconsistent with the very essentials of smart working but damaged and eroded the productivity, satisfaction and trust of their employees.

### **TELEWORKABILITY of occupations and professions**

demonstrates that smart working benefits senior males and high-paid white collars from urban areas. Women, young employees, blue collars tempt to suffer disproportionately from the uncertainty caused by current circumstances.

This is mainly due to the fact that the latter are typically employed in non-teleworkable occupations (e.g. manual work, third sector, etc.), moreover, in the case of female workforce, smart working conflicts with domestic duties which their figure is normally associated with. EU sources indicates that the level in which activities and professions can be performed in remote environments highly depends on the autonomy the employees can rely on to carry on its specific tasks, and the degree of digitalisation of those same tasks: autonomy and digitalisation are features that are characteristic to capital-intensive sectors and ICT-related professions, which do not represent the bulk of Italian economy and entrepreneurial ecosystem in general

## ROMANIA

Findings from the Romanian context indicates that national SMEs, especially those active in less knowledge-rich domains, rural areas or smaller towns, are less likely than larger business to take advantage of digitalization or to hire IT specialists.

Reports show their overall lag behind larger companies in adopting new technologies, and being less advanced in terms of digital maturity – two factors that proved to be crucial to ease the transition from ‘traditional’ to ‘smart’ managerial models.

A key area where SMEs may require support is in finding and accessing suitable digital solutions, including education and training resources. In that sense, Romanian partners have been able to identify several operational tools dedicated to such extend, unfortunately these resources seem lacking of a structuralized framework and robust need-assessment truly tailored to SWIFT’s target groups.

Overall, Romanian partners lamented a considerable shortage of data pertaining to SMEs’ skill-lags/needs assessment in the face of COVID pandemic and smart working. As such, references have been deducted from other secondary sources and testimonials from companies:

- Issues related to psychological well-being – social isolation, anxiety, depression, reduced communication and work-life balance (including gender-related issues – e.g. women working from home are more often interrupted due to family requirements than men). In this respect trainings aiming to build competences for psychological resilience and ensuring work-life balance are needed.
- Time management, self-efficacy, self-discipline, productivity.
- Practical issues related to the fact that 45% of Romanians live in overcrowded homes – creative solutions on how to delimitate a working space (e.g. by using acoustic separators, planning for working time, using headphones, backgrounds, etc.)
- Health and security while working from home – guidelines for SMEs and employees.
- Data security issues – simple guidelines & checklists for SMEs and employees.
- Difficulties in motivating teams, reduced creativity, difficulties in creating bonds within new teams while working remotely – trainings for team leaders on leadership and motivation, building engagement and boosting creativity while working from home.
- Costs related to the implementation of smart working: *how to* smart working with limited resources

## SPAIN

Before COVID pandemic, only a residual portion of employees worked from home or were somehow used to forms of smart working. Barriers to a much broader implementation of telecommuting were mainly represented by lack of regulation, investment in computer and technological equipment, computer training for workers, and lack of flexible working hours.

Due to this 'cultural unawareness', small and medium-sized enterprises have had to make extra efforts to adapt to the operative scenario with very little available resources for the public.

Based on the research conducted by Spanish colleague, and on the detection of identified needs and challenges described for SMEs, it is worth noting that the trend towards a new smart working model is here to stay. In order to cope with the changes brought about by the COVID-19 health crisis, and the possible future challenges mentioned above, SMEs need to be equipped with tools acquired through structured and specially designed training, which enables them to be flexible and competent, and to adapt to this new smart working mode in order not to be left behind.

This underlines the need for comprehensive training in Smart working and digital culture and all that this implies, structured and specialised training in the field and specifically adapted to SMEs. More than any other type of organisation, small and medium enterprises need to be equipped with tools, skills and free, structured and joint digital training, so that SMEs can cope with current and future changes in working methodology, and jump on the smart working methodology bandwagon, in order to stay flexible, adapt and move forward in a digital world, in a constantly changing and evolving society.

## Final remarks and the way ahead

Immediately after the outbreak of the pandemic, the European governments implemented unprecedented strategies to preserve the operational capacity of their national healthcare systems; contain the infection's curve and safeguard the health of their citizens. The lockdown measures that followed had a dramatic impact on the overall economic system of each country with serious consequences for workers and enterprises across Europe.

The EU report elaborated by IHF confirms national trends highlighted by partners in reference to their specific national context. A sample of results emerging from EU sources, confirm that EU SMEs and their internal workforce lack a strong and reliable digital/ICT culture (specifically those located in the Mediterranean and Balkan area); a skill-lag that throughout the post-crisis exacerbated pre-existing gaps in terms of opportunities for long-term financial sustainability.

EU SMEs are the most affected by the negative effects of the COVID-19 pandemic: Europe is "closed for business", and while large companies have systems in place to implement telecommuting and smart work, SMEs (especially microenterprises) do not have ICT systems in place nor policies for their staff to work remotely.

The mutual strengthening and interaction of these factors (i.e. lack of cultural understanding of smart working as a reliable model for people management, ICT and digital lags) prevented throughout the years the emergence of an SME's ecosystem that is flexible and resilient to external disruptions – so big, large and threatening to impose in a matter of days a radical rethinking of a consolidated status-quo remained unperturbed for decades.

Where many industrial actors are still navigating the post-pandemic in "survival mode"; others have been able to thrive and resist despite all the difficulties imposed by such unprecedented operational context. Although it is true that a lot of such effect depended on the intrinsic nature of the occupied sector (recalling the resilience of capital-intensive sectors compared to labour-intensive sectors), much of the intersectoral and cross-national gaps are justified by *a priori* awareness of key operational fields that allowed larger opportunities for business continuity.

Findings suggest that the main factors preventing SMEs from a smooth embracement of smart working practices can be reconducted to the following:

Flexible organizational culture	Trust and mutual reliability	Designing for resilience	Digitalisation and IT culture
<p>Every organisation breathes a different internal culture.</p> <p>Scholars and practitioners commonly define it as the strongbox of intangible value depicted in the way in which the business interface with its stakeholders, portrays its reliability and trustworthiness, and increase its self-awareness</p> <p>In times of crisis, the values of an organisation are challenged as much as its task and processes.</p>	<p>A lack of perception of mutual trust and transparency between employers and employees prevented the emergence of reliable measures for work continuity that ultimately inclined the performance of SMEs throughout the pandemic period.</p> <p>In order to face such new "trust challenge", many small organisations reacted by the introduction of so described intrusive methods to monitor from remote the productivity and the overall work efforts of the staff.</p>	<p>If there is a business function that more than others gained substantial interest and a renewed focus, that is for sure Risk Management.</p> <p>In the face of COVID pandemic, the role of Risk Management has been greatly reconceived under a new strategic framework: from secondary activity to multidimensional priority.</p>	<p>Data show a substantial correlation between the overall digitalisation index of societies and the familiarity of businesses with "smart" and "flexible" cultures.</p> <p>As a matter of facts, smart working did not represent such disruptive challenge for northern business as it did in fact for Mediterranean and Balkan businesses.</p> <p>Since the beginning of the outbreak, micro and small enterprises have been the target of a rising number of data breach attacks that caused major disruptions and further compromised their operative efficiency.</p> <p>The international sources here reviewed report that, with the outbreak of COVID pandemic and the full digitalisation of worldwide societies, cybercriminals had a unique opportunity to exploit the situation in their favour.</p>

On the basis of that, training areas pre-identified during the launch of the research as plausible focus of interest have been distributed among partners based on each organisation's specific background, know-how and expertise. The training areas are confirmed as follows:

1. Digital and online communication
2. Team and people engagement from home
3. Work-life balance
4. Self-well being
5. "How to boost your team productivity from home?"
6. Remote project management
7. Agile Management by Objectives
8. "Smart" self-efficacy
9. Leadership and Motivation in the Smart Working era
10. Teleworking: a selection of digital tools to manage your business