PhD research proposal

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PhD: Global Studies. Economy, Society and Law
Title of the project: The impact of digital innovation on welfare systems in European SMEs and in particular in the Italian case
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Research Area: SECS-P/10 Organization studies

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General presentation of the project and state of the art

The idea that companies can contribute to the well-being of society beyond their legal obligations has a long tradition in many parts of Europe (Petropoulos, Marcus et al, 2019). In general, in the European Union, the development of corporate welfare has been driven both by proactive strategies adopted by pioneering companies, European institutions and national governments, and by external pressures from other stakeholders such as civil society and the investment community (CSR, 2010).

In Europe, as in other parts of the world, the idea of corporate welfare has traditionally been driven by large companies. Yet 99% of European companies are small and medium-sized enterprises (SMEs) and about two-thirds of jobs in the private sector are in SMEs (European Commission - a, 2020). Many small businesses are innately also agreeing with the values of their founder or owner compared to the needs of their local communities, but today there is a growing focus on implementing a more structured Corporate Social Responsibility approach in European SMEs (Maino, 2018).

In developing this approach, the concept of corporate welfare is increasingly crucial in the world of European SMEs in the 21st century. More and more SMEs choose to focus on the well-being of their employees and families (European Commission - b, 2020).

In this context two models of SME welfare in Europe can be defined. The first is that of the Scandinavian Countries, known for the elevated degree of public services offered to own citizens and therefore characterized from corporate welfare to low incidence (Stoica, 2013). The other model is that of the welfare of SMEs with a high incidence. This solution is mainly proposed in the countries of Mediterranean Europe and France, where SMEs still have significant room for development to meet the growing demand of employees for a wide range of services. In fact, the most requested services are health care, training, and support for families (Faioli, 2016).

Thanks to the premises mentioned above, various profiles of corporate welfare offerings declined according to the needs of citizens have taken hold in Europe. In fact, mainly residential and home services are widespread in Scandinavia; other countries, such as France, see a mixed situation that provides concessions for the purchase of family benefits, through vouchers and demand solvency devices (Steurer and Konrad, 2009).

In particular, in the Italian theatre, a reliable picture has been drawn thanks to the survey promoted by the "*PMI welfare index*" (2020). In 2020, the Italian corporate welfare confirmed the growth trend already recorded in previous years. Indeed, according to the survey, the picture has changed significantly: one out of two SMEs has decided to implement at least two initiatives in terms of corporate welfare compared to previous years. Assistance services are growing proportionately faster: the initiative rate has doubled between 2017 and 2019 and has jumped to a leap in 2020 reaching 23%. It is mainly prevention, starting with medical check-ups, information campaigns and health care such as agreements with medical and dental practices. In addition, the growth of actions for work-life balance and support for parenthood continues (Zillo Grandi, 2017).

The existing literature and the "*PMI welfare index*" push us to identify new research ideas in the area of European and in particular Italian corporate welfare. In fact, this research project aims to study welfare by placing it relating to a decisive variable for the future development of an SME: digitalization. This method of organization allows employees to understand innovation and master it. This is visible in the new corporate intranet models or in smartphone applications directly aimed at employees (Nylén and Holmström, 2014).

The research model is built on two hypotheses that relate welfare practices within SMEs and the phenomenon of digitalization. In fact, in the first hypothesis it is expected that an SME with a high degree of digitalization within it will offer a greater range of opportunities in terms of welfare services. It will focus more on those services that have emerged in the last decade. On the contrary, in the second hypothesis, an SME with a low level of digitalization in its ecosystem is expected to offer a restricted range of welfare services while also maintaining a more traditional approach.

With this in mind, it should be noted that the research area will cover the study of both European SMEs that have a high degree of digital transformation within their organization and SMEs that have implemented a digital transformation system within its limited. Subsequently, the research narrows its horizon focusing exclusively on Italian SMEs that respect the same benchmark as European SMEs. This benchmark will focus its action on studying the level of digitalization introduced in companies. The analysis activity will be fundamental to place Italian SMEs in a system of comparison with those of other European countries.

Research Objectives

Digital technology has become a pervasive part of everyday life, both for work and leisure time (Lee and Berente, 2012). Digital technology and digitalization are also expected to solve some great challenges of our time, such as the problems of an ageing population and the increase in healthcare spending (Frennet, 2021).

According to the Digital Economy and Society Index (DESI) 2019 report, all the countries of the European Union through their SMEs have improved their digital performance and increased the attention to the phenomenon of corporate welfare.

In the literature, the subject of this study has been approached in an embryonic way. Despite this, some latent potentialities of the welfare phenomenon relating to digitalization have already emerged, as demonstrated by the literature present in the bibliography. The research aims to scientifically demonstrate a possible relationship between SMEs: it is assumed that companies that have made significant investments in digital innovation have a richer offer in welfare services. This study will therefore be able to enrich the existing literature and implement an innovative scientific perspective of the topic under research.

In the project it is foreseeable to obtain a non-unique result, but it will be differentiated according to the SME examined. Some variables could be: the path taken, and the means used to achieve an adequate balance between the provision of corporate welfare services and digital innovation practices.

First of all, we will try to understand if there are internal facilitators within companies who play the role of simplifying the provision of welfare services through digital innovation tools. By facilitators, I mean the group of human and methodological elements.

Human facilitators are linked to key characteristics such as leadership, collaborative climate, trust, friendship, and personalities of the members of the human resources and social policy team. These facilitators will be taken into consideration to observe the profound transformations that have improved welfare policies within SMEs. The hypothesis relating to this approach prefigures a close connection between the fundamental elements of the entrepreneurial mission such as enhancement of the action in terms of quality, organizational culture and attention to digital innovation.

The second facilitators are methodological and organizational. They concern social collaboration practices, process digitalization, remote working and change management that can influence the innovative process of using welfare services.

These phenomena will be observed to understand what the profound change in the activities and organizational processes has been, with the provision of new corporate welfare services. Among the care services that will be studied, we can point out those that give greater value to the care of the person and the development of the outside of work.

In addition, it will be important to assess whether the effects of these new corporate welfare services have generated major changes in some key factors such as the models proposed by the company and the ability to give better responses to its employees.

Subsequently, the project aims to detect whether, through digital innovation, companies are able to better understand the new needs of their employees in terms of welfare services. This analysis will be implemented in order to propose improvement strategies in companies that could present problems such as economic crisis, non-collaborative local ecosystems, difficulty in retaining employees, low attractiveness in terms of internationalization and technological uncertainties.

In conclusion, the project aims to contribute to the increase in knowledge regarding the welfare services provided by European SMEs through interconnections with digital innovation. The Research aims to develop new empirical solutions that go beyond the simple application of what has been learned. In fact, the theories relating to the causal links between the provision of welfare services and digital innovation can also be refined. The project will find its place in the knowledge of corporate culture. It will promote an innovation process and the adoption of new best practices.

Methodology and Expected Results

The research methodology provides for a mixed qualitative and quantitative approach and can be divided into four phases. The combined action of the two techniques will lead to research with a deeper relationship (De Rose, 2017).

The first phase will cover a comprehensive study of the existing literature which may lead to a detailed picture of the phenomenon analysed, in order to provide an accurate theoretical picture of the previous welfare processes adopted by SMEs (Kaufmann, 2009). At first, the phenomenon will be studied from a European perspective, andthen it will be deepened in the Italian reality.

Subsequently, it will be useful to carry out an analysis of the existing literature on the model variable, which will be related to the phenomenon studied. This phase will examine how in recent decades the introduction of a 4.0 digital transformation process, combined with strategic and operational management, has profoundly changed the organizational reality of the provision of welfare services in Europe and in particular in Italy (Verhoef et al., 2019).

The activity will be developed by studying the statistical data collected periodically by the main research centres such as ISTAT (National Statistical Institute), EUROSTAT (Statistical Office of the European Union), Digital Transformation Institute and DTRCH (Digital Transformation Research Center). At the same time, particular emphasis will be given to the sources of research centres linked to the study of social sciences and in particular to the phenomenon of corporate welfare.

Among the research institutes taken into consideration we can mention IRPPS (Institute for Research on Population and Social Policies) and the European Center for Social Care Policy and Research.

The quantitative research phase will be prepared through an accurate collection of information, on the relationship between the corporate welfare system in European SMEs and the mode of delivery of this service through the digital apparatus. This activity will be carried out not only through the official research centre listed above but also through press readings, previous research, informal conversations with privileged witnesses (Dovigo, 2005).

The second phase of the research involves a quantitative analysis. In the first instance attention will be focused on the choice of the database through which the data will be retrieved. A first check shows that EUROSTAT is the most appropriate database. The European Statistical Office offers a section dedicated to SMEs and their geographical position in the old continent. In particular, this area of the database provides a detailed overview of the research components, including corporate welfare services, corporate ethics, working conditions and the digitalization aspect of the various sectors of activity (EUROSTAT, 2020).

During this phase, some dependent and independent variables will be studied which are necessary to corroborate the starting hypothesis. The independent variables needed to determine the sample balancing procedure are: SME sector, nationality, and composition of the workforce.

On the contrary, the opinions, and beliefs of the employees regarding the development of the digital platform for the management of welfare services will represent the dependent variables. These variables will take shape based on the research objectives, which in turn derive from a careful examination of the existing literature.

After the collection of the data, an analysis of the obtained material will be promoted thanks to a matrix "*cases per variable*". In a first phase the analysis will be mono-variate in order to get in contact with the results of the quantitative analysis. The distribution of the data could generate an additional element of study to verify if there are strong differences between dependent and independent variables. In fact, the analysis will be promoted to collect information that confirms or does not confirm the starting hypothesis.

After the completion of the quantitative analysis, in the third phase qualitative interviews will be carried out with some Italian SMEs that have aroused a greater interest during the quantitative analysis. From a qualitative point of view, in-depth interviews are the most common technique for gathering information on various types.

Through the interview, I will try to collect the testimonies of the various heads of the welfare service in SMEs, in order to obtain empirical knowledge on the subject of "*Corporate Social Responsibility*" relating to the digitalization systems implemented. This perspective will be particularly relevant in order to understand, which are the subjects that have played a pivotal role in the implementation of these new methods of delivery of welfare systems and the degree of use by employees. In the interviews the emphasis will also be placed on what procedures have been followed for the elaboration of these new methods of providing welfare services.

It will also be relevant to verify what were the principles that led companies to adopt these new technologies in a complex era such as Covid-19 pandemic. In this regard, it should be emphasized that the qualitative interview will be particularly useful, to analyse the meaning that the interviewees attribute to the phenomenon of digitalization, to welfare systems in terms of incentive and well-being for employees.

Finally, the activity will allow the reconstruction of social processes that interact with the phenomenon of digitalization because through interviews you can have access to visions, images, hopes, expectations, critical of the present and projections towards the collective or individual future relating to the phenomenon studied (Silverman, 2006).

In the last phase, the qualitative and quantitative data collected will be analysed in order to verify the possibility of further study regarding the initial hypothesis. To proceed with the analysis of the material it will be necessary to contextualize the issue of the welfare system related to the phenomenon of digitalization. This activity will be carried out distinguishing between description of facts, narration of episodes and interpretation of results.

The analysis of the material will then be archived according to different codes that will link the collected data to the concepts and categories contained in the final report (Weiss, 1994). The coding will include several: descriptive and analytical categories. The main indicators taken into consideration in this phase of the research will be welfare systems and growth in terms of digitalization. Subsequently, the latter will be correlated both individually and jointly to certain variables such as the performance of the companies, the growth in turnover and the ability to penetrate foreign markets.

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Sitography

https://ec.europa.eu/digital-single-market/en/digital-economy-and-society-index-desi

Description of the research in the three-year period (feasibility)

Time Period	Anticipated Activities
Year One November 2021- January 2022	In-depth reading around the topic in areas such as: • European welfare SMEs and especially Italy system
February 2022 – April 2022	In-depth reading around the topic in areas such as: • Relationship between welfare system and digitalization
May 2022- June 2022	• Preparation and drafting of Literature Review
July 2022- September 2022	• Quantitative research: study of EUROSTAT database • Others possible databases
Year Two October 2022- December 2022	• Quantitative research: analysis of the quantitative data
January 2023- March 2023	• qualitative research: begin recruitment of Italian SMEs participants
April 2023- June 2023	qualitative research: data collection
July 2023- September 2023	qualitative research: data analysis
Year Three October 2023- December 2023	Final write up begin
January 2024- March 2024	Final write up continue
April 2024- June 2024	Final write up continue
July 2024- September 2024	Completion of final write up