

ICT in the Spanish Business: A Slow, But Sure Transformation

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To say that ICTs aid businesses with decision making and expediting internal communication would hardly be a revelation. However, both assertions become more interesting when accompanied by data showing that the vast majority of Spanish businesses have already caught on to such advantages.

In fact, IT directors at 85% of large Spanish companies and 80% of their small and medium counterparts state that, thanks to information and communication technologies, they now have more decision-making tools. This comes as good news, especially considering that the ICT managers at 89% of large companies and 80% of SMEs say they face increasing demand from executives to provide smart access to information.

In this sense, it could be said that by supplying relevant information to the appropriate people, ICTs help businesses optimize their decision-making processes.

This is one of the conclusions from the chapter on Spain, carried out by the e-business Center PwC&IESE, of an international project called BIT. The study, led by the Anderson School of Management at UCLA, is conducted in collaboration with a number of business schools from around the world. One of the project's specific objectives is to analyze the impact of ICTs on the internal organization of businesses.

The survey responses from IT directors at 254 Spanish businesses indicate that both large companies and SMEs pay considerable attention to the need for employee training. Indeed, the most preoccupying issue for 87% of large companies and 90% of SMEs is that of IT skills at the organization's lower levels, while 81% and 83%, respectively, express concern about workers being up to date in terms of technological changes.

Changes in the Spanish Business

ICTs have opened the door to new ways of working. But to what point have Spanish companies pursued new forms of organization? IT directors widely agree (74% in large companies and 76% in SMEs) that increasingly more workers are becoming telecommuters.

Meanwhile, over 80% of large companies and nearly 70% of small and medium enterprises say that the use of tools such as conference calling is becoming ever more frequent in their businesses. Furthermore, over 60% of Spanish businesses point to a rise in collaboration between workers as a result of ICT use.

All of these figures explain why Spanish companies are becoming increasingly dispersed geographically, something felt by 69% and 59%, respectively, of those interviewed from large businesses and SMEs.

The notable changes in work practices are in contrast to the smaller impact of technology on organizational structure. Staff reduction, for instance, is the big outstanding issue for ICT.

Strategies such as subcontracting or the automation of functions have had little effect in terms of staff reductions. In fact, 44% of large companies and just 31% of SMEs agree that subcontracting is helpful for reaching that objective and just 37% and 26%, respectively, attribute automation with the capacity to reduce the number of employees.

Nor would they consider the scaling down of the business hierarchy to be a reality at their companies. IT directors at 74% of the large companies and 76% of the SMEs do not feel that ICTs have helped cut down on the number of middle managers.

Nevertheless, more than the half of the technology directors now believe their organizations to be more streamlined. Moreover, 51% of large companies and 62% of small and medium enterprises state that executives' realm of supervision is increasingly broader.

If we compare the results of large companies with those obtained in the previous Spanish edition of the BIT, we can see that the percentage of those who do not consider that ICTs are broadening their realm of supervision has been significantly reduced from 24% in 2005 to 7% in 2007. Meanwhile, the percentage of those who do not consider their organization to be increasingly more streamlined has dropped from 27% to 8% in the same period.

Thus, it is possible to conclude that in the eyes of technology directors at Spanish companies, ICTs are not only having visible effects on the way work is done and how businesses are run, but also, as is gradually becoming evident, on the way their structure is organized.