

## **“The challenges of the economic scenario: innovation and human capital.”**

*By the Intesa Sanpaolo Research Department*

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An analysis by Intesa Sanpaolo's Research Department presented at today's meeting by **Stefania Trenti**, Head of Industry Research, shows that **the pandemic and containment measures have had a strong effect on women's employment**. Limitations in **sectors with a larger female presence** (tourism, personal services and non-food distribution) and in **educational services**, with the related difficulties in reconciling work and private life, have further discouraged women from participating in the workforce. **In 2021, the female employment rate in Italy stood at 55.4%**, second-to-last in the European rankings, higher only than Romania.

Given this difficult situation, it is even more important to **analyse companies that, by applying for the Women Value Company Award, express sensitivity to inclusion**. To this end, a **survey of about 600 companies** was conducted between March and April. Together with information from company balance sheets, the survey outlined the profiles of companies in terms of both their **response to the crisis** and the **strategies they have adopted**, with a particular **interest in the issues of technological innovation and attention to human capital**. This sample is heterogeneous at the sector level, with a strong prevalence of micro and small enterprises spread throughout Italy.

**The first element that comes to light relates to greater resilience of candidate firms during the 2020 pandemic crisis:** 66% of firms achieved revenue growth and margins above the median for their sector and size class. In the overall economy, this percentage is just 29%. One of the factors that qualifies the sample and justifies these results is the **quality of human capital and the productivity generated:** on a value added per employee in 2020 of €32,000 (median) for the total economy, the sample of candidate firms recorded an **almost double productivity** of around €63,000, essentially unchanged on 2019 (-3%), whereas the Italian national figure declined more sharply (-18%). High levels of productivity more than offset higher unit labour costs, confirming the strong focus on human resources at these companies.

In addition, **candidate firms show a strong propensity to invest in innovation:** it bears noting that three-quarters of the sample plan ICT investments, an even higher percentage than investments in plant and machinery. These are widespread investments, which firms identify as highly important: when asked to score them by their significance to the firm, **investments in ICT, patents and research and development ranked right after plant and machinery**. The sample shows a strong inclination to invest in ICT technologies in all stages of business, from production to sales, combined with a **strong focus on the issue of cybersecurity**, which is often neglected by Italian companies. Prominent among the barriers to the adoption of new technologies is the **difficulty in finding qualified personnel**, reported by as many as 44% of companies, followed by the issue of uncertainty created by the pandemic.

However, it is noteworthy that, although the outbreak of war in Ukraine has further increased uncertainty and worsened expectations about demand trends, **companies in the sample with more evolved profiles in terms of attention to inclusion** (female leadership, percentages of female employees and managers, initiatives to reconcile work and personal life, etc.) **and innovation** (spread of technology through the company, training for technological innovation) **report better growth prospects**. In fact, firms with the highest profiles show stronger expectations for the current year, with more positive views of turnover performance (62%) than firms with a low-to-medium profile (26%). Moreover, almost all firms with medium-to-high profiles (84%) have implemented **specific training programmes** following the introduction/implementation of technologies, compared with 20% of firms with medium-to-low profiles. **Human capital and innovation remain the main levers for companies to cope with the current competitive environment** and overcome the difficulties faced, particularly in terms of managing raw material prices (66%), supply delays (49%), transport costs and unavailability of raw and semi-finished materials reported by one-third of respondents.