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# The Pandemic of COVID-19 and the level of Digital Maturity of micro and small businesses, a global concern

Prof. Dr. Arnoldo José de Hoyos Guevara

Prof. Dr. Paulo Melo

Prof. Dr. Manoel Joaquim F. de Barros

Prof. Dr. Ernani M Santos

Profa. Msc. Lívia V. de Oliveira Bispo



## I - What is study is about?

The COVID-19 pandemic urged the implementation of new corporate digital strategies which demanded companies all over the world to evaluate their level of digital maturity.

Globally, SMEs are far way the most sensitive group to be affected by the economic crisis caused by the pandemic and countries are very concerned to keep them alive during and after it ended.

This paper aims to study whether SMEs are or are not digitally mature to face the challenge of digital transformation due to Covid 19 Pandemic.

### II -Methodology

- Exploratory approach study
- Non-probabilistic sampling method (SMEs' managers in the state of Bahia, Brazil)
- Use of online questionnaire (with dichotomous choice questions and five-point Likert scales)
- The total of respondents was 256

#### III – Theoretical basis



# Insights about <u>Maturity and Digital Maturity</u>

" Maturity is the state of an organization that uses all its capabilities to achieve its goals and is successful in this endeavor" (Macruz, 2018, p.28).

The digital maturity brings the perception of how companies implement modern technologies to gain competitiveness and efficiency

The level of maturity of an organization can differentiate from the competitors by preserving strategic resources and creating a unique competitive advantage over other agents in the market (Barney, 1991; Porter & Millar, 1999; Heilbroner & Penrose, 2006; Milberg, 2008; Porter & Heppelmann, 2014).



# How to measure maturity?

Model proposed by Varnavskiy et al. (2020) consists on five areas

| Areas                                | Variables   |
|--------------------------------------|-------------|
| Educational, Scientific and Academic | Knowledge   |
| Corporate Culture                    | Contract    |
| Staff Experience                     | Age range   |
| Control and Reporting                | Strategy    |
| Digital Operations                   | Preparation |



## **IV - Findings**

Table 1 Managers' perceptions of companies' level of digital maturity (DM)

| Level of DM | % of managers |
|-------------|---------------|
| Very High   | 9,8%          |
| High        | 29,3%         |
| Medium      | 50,2%         |
| Low         | 7,9%          |
| Very Low    | 2,8%          |

Source: the present study

Table 2

Digital Maturity Variables

| Variables   | DM x Variables  |
|-------------|---|
| Knowledge   | Greater knowledge, higher level of DM                           |
| Contract    | Low level of DM, more investment in HR                          |
| Age range   | Younger people, higher level of DM                              |
| Strategy    | The more important digital strategy is, greater the level of DM |
| Preparation | Greater use of technology, higher level of DM                   |

Source: the present study

#### V – Final considerations

The influence of the pandemic of Covid-19 has accelerated the process of digital transformation on businesses in general and in particular for the micro and small companies all over the world.

In most of the countries, those players had no option, but to introduce new technologies to their management processes in order to survive

The process of digital transformation was already in progress, but, due to the unexpected pandemic of Covid-19, they had to accelerate it.

The earlier companies adopted digital strategies, the higher is their level of DM

According to 89,3% of managers, the level of DM among SMEs are medium and high

Authors suggest that this study could be replicated in a comparative way, by applying the same methodology in different organizations and environments.



# **THANK YOU ALL!!**

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