

Dynamic Note #4: April 2023

Employability and digitalization

The objective of the **dynamic notes of Alicante: Open for Business** is to evaluate and publicize, in a thematic way, the elements available and the **features that define Alicante** and that may be of interest for the location and investment of **companies, entrepreneurs and highly skilled professionals**.

In this fourth dynamic note, an analysis is made of the skills and knowledge of the labor force in Alicante, its fit with the needs of the labor market demand, and the state of business digitalization and the skills of workers in the province. This note will be complemented with Dynamic Note 5 on the analysis of Alicante's productive environment and with the third bimonthly report.

State of the main indicators of the labor market in the province of Alicante

By the year 2022, employment data for the **Valencian Community** reflect an improvement with respect to the previous year. Specifically, this region **accounts for around 10.7% of total national employment**, consolidating its position as the fourth largest autonomous community in terms of employment, behind only Catalonia, Andalusia and the Community of Madrid. At the provincial level, **Alicante accounts for around 4% of the total number of people employed in Spain and close to 34% of the total number of people employed in the Valencian Community**. It should be noted that these figures have improved with respect to the previous year, indicating progress in job creation in the Valencian Community.

Despite the aforementioned improvement in employment figures in the Valencian Community, **Alicante still has a high unemployment rate**, which places it as the sixteenth province with the highest unemployment of the fifty-two provinces that make up the total, with a rate of 15.21% in the last quarter of 2022. This figure is higher than the national average, **which stands at 12.87%**.

In **comparative terms**, the province of Alicante presents better results than the average for the Valencian Community in terms of the activity indicator, registering an activity rate of 60.21% (compared to 59.38%). However, the province of Alicante has a higher unemployment rate than the figure for the Region (15.21% compared to 13.53%). Despite **this, it is worth highlighting the improvement in the number of unemployed in the province**, which in March 2023 stands at 139,989; which

represents a reduction of 9,542 unemployed compared to March 2022, and of 11,057 compared to March 2019.

Continuing with the comparisons, it can be seen that the activity rate in Alicante is higher than the national average (58.52%). The same is true for the unemployment rate, where the figure for the province of Alicante is higher than the Spanish average (12.87%). With respect to this last indicator and in comparison with other provinces which have already been mentioned in previous Dynamic Notes, Alicante is in an **intermediate position**: while Bizkaia (with an unemployment rate of 8.96%), Barcelona (10.15%), Madrid (11.51%) or Valencia (12.26%) present more favorable conditions in this indicator, Seville (16.06%) or Malaga (19.37%) are in a more negative situation. In comparison, the province of Murcia (12.89%) shows figures very close to those of Alicante.

Finally, another aspect of the labor market in Alicante (and also nationally) is the **worse situation of women in relation to the activity and unemployment rate indicators**. In the province of Alicante, the female activity rate is 55.23% (data from the last quarter of 2022), while for men it is 65.37%. Regarding unemployment in the province, the male unemployment rate stands at 13.15%, compared to 17.58% in the case of the female population. However, the first data for 2023 show a decrease in the number of unemployed women by 25,897, making it the lowest figure recorded for a month of March in 15 years.

Recovery of the labor market in the province of Alicante after the health crisis caused by COVID

It is worth noting the recovery of the **Alicante labor market after the pandemic**. At the end of 2021, the province presented an unemployment rate five percentage points above 2019 levels. However, data for the fourth quarter of 2022 evidence a **recovery, and even improvement, from pre-pandemic unemployment levels** (15.21%, compared to 15.68% at the end of 2019).

Regarding **the activity rate**, the data note **an improvement from pre-pandemic levels**, showing a value of 60.21% (data from the last quarter of 2022) compared to 59.24% recorded in the same quarter of 2019. This is also the case for the **employment rate**, which exceeds pre-pandemic figures (51.05% vs. 49.95%).

The **recovery of employment** after the COVID crisis is reinforced, in part, by the economic recovery and the reactivation of certain sectors such as tourism and the hotel and catering industry, which have a significant weight in the province and a significant creation of jobs.

The importance of pandemic in enterprise digitization

While the arrival of the pandemic meant that in 2021 there was an inclination towards **teleworking**, 2022 has meant a significant **setback to the situation prior to the pandemic**; which is reflected in the figures of teleworkers. In this sense, while in 2021 31% of Spanish workers resorted to a greater or lesser extent to teleworking, the data for the summer of 2022 show a **decrease in these figures by ten points (21%)**.

Of those employees who teleworked, only 7% worked remotely on all or most days of the week; 6% teleworked only one or two days a week; 5% only came to the office to work one or two days a week; and the remaining 4% used the flexible hybrid model, choosing when they worked from home or when they worked from the office according to their preferences.

However, **the number of offers with the possibility of telecommuting in some job portals has not stopped increasing**. Thus, according to the main job search platforms, it has gone from 556,088 of this type of vacancies in 2021, to the 727,649 vacancies with which closed 2022.

If we analyze the specific case of the province of **Alicante**, we observe that it is **among the six provinces with the greatest presence of teleworking** along with Madrid, Barcelona, Valencia, Malaga and Seville. In this regard, it should be noted that the **growth of telework offers in Alicante** has already equaled that of Valencia and Seville. In fact, between January and August 2022, the Alicante province exceeded the number of telework vacancies it registered in the whole of 2021.

In 2022, **the most attractive sectors in terms of telecommuting opportunities in Spain were sales and marketing, IT and telecommunications, and customer service**. With 390,277 vacancies on offer, the commercial and sales sector topped the list, followed by IT and telecommunications, with 133,862 vacancies. Customer service came in third place with 59,405 vacancies available. It is worth noting that these three sectors have undergone significant digitalization in recent years, which could partly explain the increase in job opportunities in them.

Hiring in companies by educational level

According to data from the last quarter of 2022, the **educational level of the workers hired in the province of Alicante** was distributed as follows: 51.94% of the contracts signed corresponded to people with **primary education**, reflecting a need for labor with basic skills in some sectors of the local economy. In turn, 23.19% of the contracts were awarded to people with **compulsory secondary education**; 8% to people with **high school or equivalent**; 5.6% with an **intermediate vocational training degree**; and 3.97% for people with **higher vocational training**. Finally, 6.92% of the contracts corresponded to people with a **university degree**.

In general, a variety of educational levels can be observed in the workers hired in the province of Alicante, reflecting the **diversity of needs and skills in the different sectors of the local economy**. In addition, although primary education is still a relevant level of training in some sectors, there is a growing trend towards the demand for vocational training and university degrees.

Most demanded professions in the province of Alicante

Analysis of job offers published between December 2022 and March 2023 on the main job search portals reveals that, out of a total of 9,912 job offers, approximately 88% of the ads (8,716) were aimed at **non-digital professions**, while the remaining 12% (1,186) focused on **digital-related jobs**. Thus, although **the demand for labor associated with digital profiles has increased** compared to the previous year, **they** continue to represent a small proportion of total employment.

In terms of non-digital employment, the first position in the ranking of the 10 most demanded jobs is occupied by **sales workers**, with almost 24% of the ads. In second place, with nearly 18% of the ads, are workers in **elementary occupations**, followed by **journeymen or operators** with around 14%. In turn, 12% of the demand is for **managers**, as well as **financial or administrative professionals**. This is followed by **health professionals**, who account for 7% of demand. **Engineers and personal service workers** have a similar demand, with 2.6% each. The ranking is closed by **legal** and **human resources professionals**, with 2.3% of demand each.

In relation to digital job offers, 13.5% of vacancies require **digital project managers**; 8.7% are looking for **system administrators** and **ICT technical staff**; 8% need **community managers**; 7.2% are looking for **software architects**; about 6.5% demand **software developers** and **digital marketing specialists**. In addition, approximately 5% are looking for **graphic designers**, **ICT consultants** and **data analysts**.

Search for digital and attitudinal skills

Continuing with the data obtained from the main job search portals, the **top 10 digital skills** most requested by companies are: **JavaScript** skills (present in 9% of the offers); **GIT** development (5.8%); **CSS** and **HTML** programming knowledge (5.7%); **Search Engine Optimization (SEO)**, **Wordpress** and **Adobe Photoshop** (5.3%); use of **social networks** (4.9%) and, to a lesser extent, specialists in **PHP** or **Cloud computing** (around 4.6%).

In terms of **attitudinal competencies or non-cognitive skills**, companies in Alicante particularly value (1=not at all important, 7=very important) the worker's sense of **responsibility** (6.46), his or her ability to **work as part of a team** (6.33), a **problem-solving attitude** (6.22), the ability to be **customer-oriented** (6.11) and the **search for excellence through** continuous improvement (6.04). Skills such as the **capacity for self-organization** (5.95), **flexibility** to adapt to changes (5.8) or **analytical capacity** (5.56) also stand out.

Digital disciplines to be implemented in companies

The **presence and use of digital tools in companies in the province of Alicante has been consolidated** in recent years, with the **corporate website** being the tool used by the highest percentage of companies (84.3%). **Social networks** have also played an important role in business digitalization, with 47.1% of companies having implemented **Instagram's** company mode and 29.1% having adopted the **Twitter** solution.

In addition, the pandemic has accelerated the implementation of other technologies such as **teleworking**, which has been adopted by 52.9% of companies, and the **integration of cloud services**, which has reached 48.8%.

In terms of key digital skills, **digital marketing** (60%), **customer service** (35.1%), **cybersecurity** (21.5%), **e-commerce** (18.3%), **software development** (17.9%), **cloud services** (15.7%), **internet of things** (9.3%), **Big Data** (7.2%), **artificial intelligence** (6.4%), **blockchain** (5.2%) and **virtual and augmented reality** (4.7%) stand out.

It can also be seen that these results are in **line with those observed for the Valencian Community**. In this sense, and according to the data collected for Valencian companies with more than ten workers, 78.5% of the companies with an Internet connection have a **website**. As for **social networks**, these are used by 64.4% of the companies, which confirms an important presence in the digital environment. As for **ICT security** and **remote access**, both measures are widely

used by Valencian companies, with 90% and 80% of companies, respectively. In this regard, the **use of robots** and **artificial intelligence** stand out, used by 10.4% and 14.9% of companies, respectively. Finally, **Big Data** analysis is the most widely used technology in the region, with 15.4% of companies. Consequently, the implementation and use of new technologies such as robots, AI and Big Data in the Valencian Community exceeds the national average figures.

Gazelle companies in the Valencian Community

Gazelle companies are defined as those that, with an initial size of at least ten employees, double their size in a short period of time. Although the latest studies available on this subset of companies date back to 2020, it is considered relevant to dedicate a section to highlight their role as a **key element in job creation and digitization**.

At the national level, studies reveal that gazelle companies **generate employment in a much more stable manner** than non-gazelles, which allows them to better withstand economic cycles. Thus, during the 2017-2020 period and in a context of crisis resulting from the pandemic, this group of companies (representing only 4.4% of companies with at least ten workers) **generated more than 300 thousand jobs**, while non-gazelles destroyed about 75 thousand.

In addition to their role in job creation, these types of companies also **contribute to innovation and digitalization**, especially in the R&D sector, which leads the growth of gazelle companies during the pandemic.

At the regional level, in 2020, the Valencian Community was the fifth autonomous community with the greatest reduction of companies with ten or more workers (-7.9%). Despite this, it **accounts for 11.5% of the country's gazelle companies**, behind only Madrid, Catalonia and Andalusia. These four autonomous communities account for around 70% of the total number of gazelle companies in Spain.

Forecasts expect the percentage of gazelle companies to converge to pre-Covid levels, which would make the Valencian Community a favorable environment for the development and consolidation of this type of companies.

Sources consulted:

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- Institute of Economic Studies of the Province of Alicante (INECA)
- Alicante Business Expectation Observatory
- National Statistics Institute (INE)
- State Public Employment Service (SEPE)
- Cotec
- Local Development Agency - ImpulsAlicante