

# Clocking-in and digital disruption

Expansión (Spain)

Alfonso Arellano

Information and Communication Technologies (ICT) are developing and permeating our society for the purpose of helping us to achieve our goals more effectively and ease the way toward the challenges in store. A specific case of this kind of assistance can be found in the job market, with Spain's new obligatory clocking-in system that came into force on 12 May.

This obligation has been further strengthened on 14 May with the announcement made by the Court of Justice of the European Union (CJEU), stating that Member States must require employers to establish an objective, reliable and accessible system to measure the daily working time of each employee. This mandate is a magnificent opportunity for technology to assist us in the measurement of working time in all of its possible forms (including new options currently under expansion, such as telecommuting) in a more effective and efficacious manner, taking the parameters established by the CJUE also into account.

We are aware of practical cases in Spain and in other countries that show the benefits of this digital disruption and how the techniques enabling control and registration are being applied. But, is it possible to have a view beyond these practical cases? An alternative would be to use the INE [Spanish National Statistics Institute] data on the use of ICT in businesses. In the section on security, businesses are asked whether user identification and authentication is implemented via hardware elements such as cards, and biometric factors, such as fingerprints.

The latest results of the first quarter of 2018 indicate that there is room for improvement in this area. A little over half the companies in Spain use identification and authentication via hardware elements, with the percentage dropping to below 14% in the case of biometric elements.

The results by business size show significant differences. In those with fewer than ten employees, only four out of every ten implement user identification and authentication via hardware elements and the ratio falls to fewer than seven out of every hundred with regard to biometric elements. At the other end of the spectrum are the larger companies, with 250+ employees, of which almost six out of every ten use hardware elements and almost 35 out of every hundred use biometric elements.

If we add economic sectors to this breakdown, different behaviours are observed depending on the means of user identification and authentication. The use of hardware elements is more widespread among businesses within the ICT sector - above 54% - with a maximum of almost two out of every three companies among the larger ones. At quite a distance from these figures we find the construction industry, where percentages are below half, including the larger companies too.

In terms of biometric elements, no remarkable differences by economic sector exist among large companies, where the ratio is around one out of three. However, as business size contracts, the differences in the percentages appear again between the ICT and the construction sectors.

These figures for 2018 are slightly higher than those of the previous year, with more growth in the use of hardware elements among businesses with fewer than 10 employees. The use of biometric elements has increased more in medium-sized and large companies.

Given these results, if the necessary compliance with the clocking-in obligation may cause friction, a greater degree of implementation of the ICT in the security systems will help to build a more transparent labour market that improves the life and wellbeing of all players involved. In the end, one of the stars of a recently ended US sitcom may have been right when he said in an episode: "Everything is better with bluetooth". Even working.

## DISCLAIMER

This document has been prepared by BBVA Research Department. It is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Any estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

With regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions on the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. Reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process is prohibited, except in cases where it is legally permitted or expressly authorised by BBVA.

### ENQUIRIES TO:

BBVA Research: Calle Azul, 4 Edificio La Vela, Floors 4 & 5 28050 Madrid, Spain  
Tel. +34 91 374 60 00 y +34 91 537 70 00 / Fax (+34) 91 374 30 25  
bbvaresearch@bbva.com www.bbvaresearch.com

