

Shaping Malta's Future: Governance and Sustainability

Nation-wide survey to understand Maltese behaviour linked to good governance and sustainable development in the aftermath of the COVID-19 outbreak

October 2021



Foreword

Strong and effective governance helps cultivate a culture of integrity, leading to positive performance, sustainable business and general development. Good governance is essentially built on three corner stones — economic progress, social development and environmental improvements. Good governance ultimately fosters sustainability, creates sustainable values, and helps companies achieve their goals.

All sustainable development principles must be approached in conjunction with an important principle, that of adopting a culture of good corporate governance within the business' operations, amongst its people and society as a whole.

Such an approach is to be rooted and integrated into our business strategies, culture and daily operations, and continue to be adopted in future years through our engagement in ecosystems driven by three key pillars: environment, society, and governance.

This year's theme will aim to help understand the dynamic of 'good corporate governance in relation to sustainable development.' As Malta looks to reignite the momentum to improve on the pre-COVID-19 landscape, sustainable development will be key to trigger operational recovery in an efficient manner. Furthermore, during the event, participants will dig into ways and means of how the Maltese economy's reset can be carried out in the most efficient way, what organisations learnt from previous mistakes, how businesses can mitigate deficiencies unfolded during the pandemic and what sustainable safeguards can be introduced to prevent similar market disruptions in the future.

The analysis presented in this report is the result of a survey that was conducted between Monday 13th and Friday 24th September. This survey and its results will be used to inform the discussions that will be held during the Grant Thornton webinars 'Shaping Malta's Future'. These webinars, which will be held between the 6th and 8th October, will seek to analyse the new norm that is emerging in Malta and the path that lies ahead. For more information, visit the Grant Thornton Malta website: <https://www.grantthornton.com.mt/shapingmaltasfuture2021/>



Yours faithfully,
George Vella





Summary of key findings



...**49%** of respondents **worked from home** during the COVID-19 pandemic

...**70%** of respondents are afraid that technology will **take over careers** and that some jobs are being completely wiped out...



...**31%** of respondents attended **online training** or online educational **courses** during the pandemic lockdown...

...**12%** of employees **would consider** changing their job if they are not offered the option to work from home...

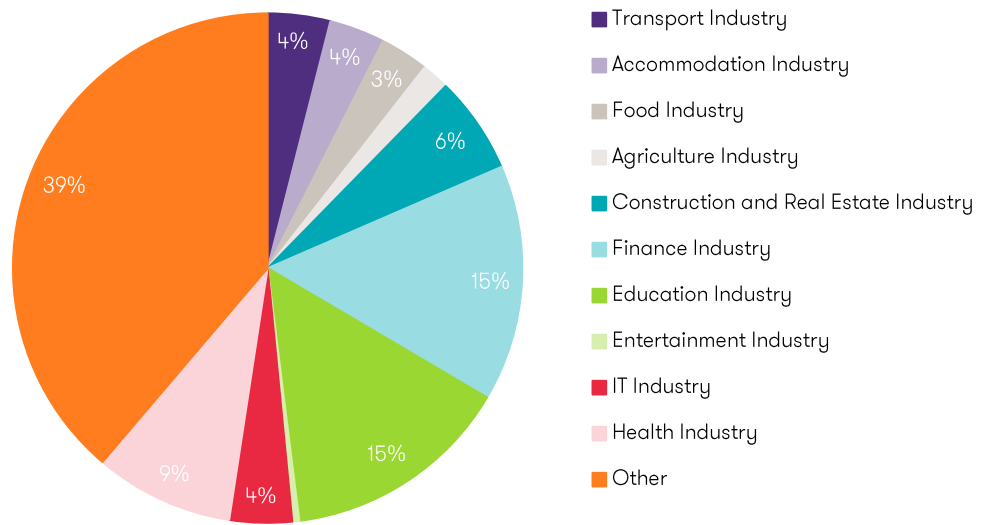


...**61%** of Maltese people said that they would **avoid using cash** after the pandemic, due to health concerns...

Industry

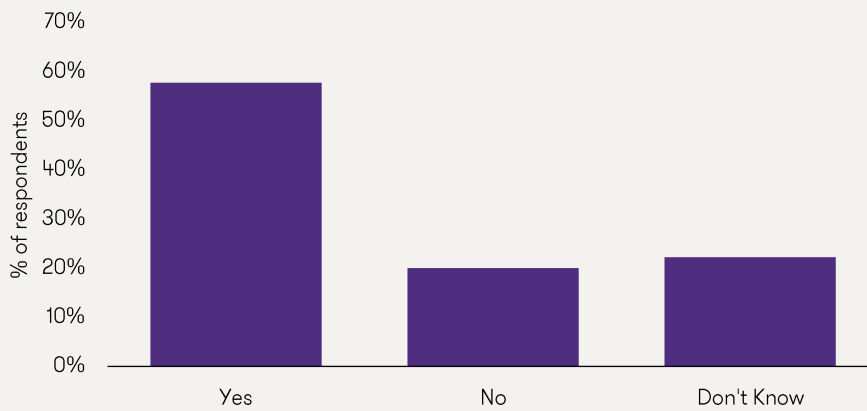
Respondents were asked in which industry they work in and what their current role in their respectful industry.

Figure 1: Type of industry that respondents work in



Internal Controls

Figure 2: Does your organisation have a formal system of internal control and/or risk management?



Only 63% of respondents feel that their employers give enough importance to internal controls. Additionally, only 53% of respondents state that their organisation provides employees with information on its internal control system.

68%

Think that the effectiveness of
internal control affects the costs of
the organisation

Figure 3: Industries which are the most susceptible to fraud

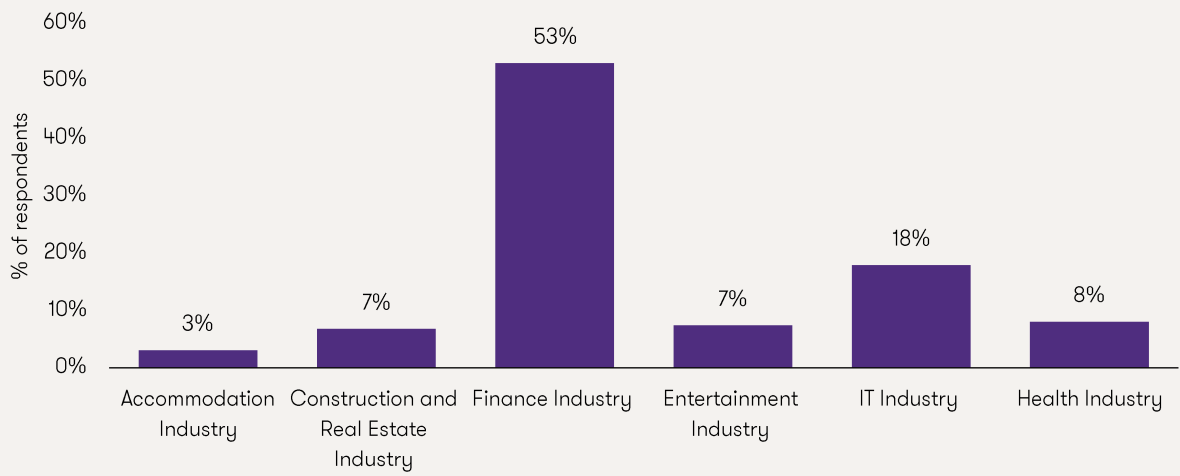
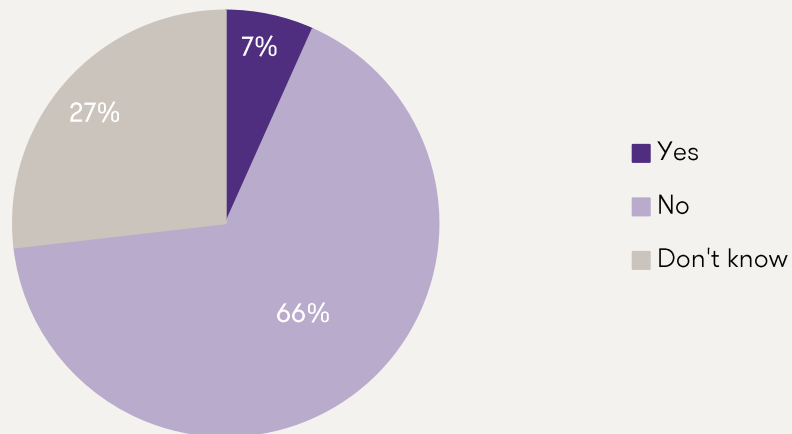


Figure 4: Was your company ever affected by fraud?



66% of respondents believe that a weak internal control system would impact the profitability of an organisation



54% of respondents believe that their organisation monitors the effectiveness of its internal control systems

The use of technology

70% of respondents agree that technology is taking over careers and some jobs are being completely wiped out.

30% feel threatened by the continuous developments in technology which may require them to upskill.

Respondents were also asked if they have ever heard of the term 'blockchain'

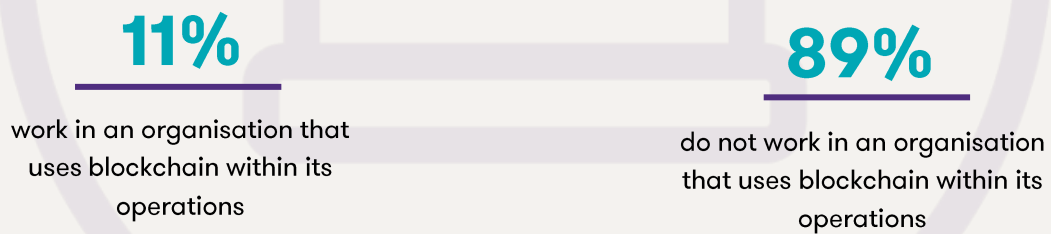
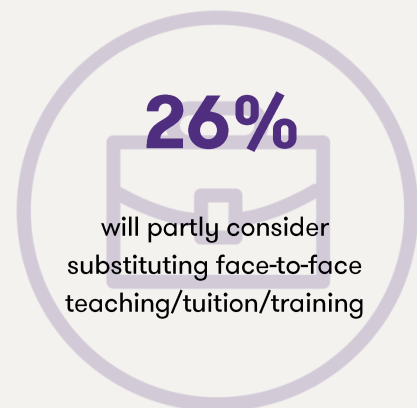
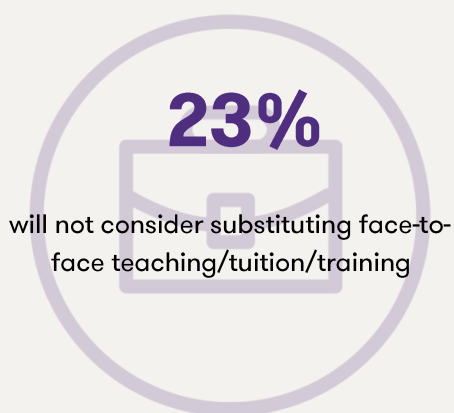
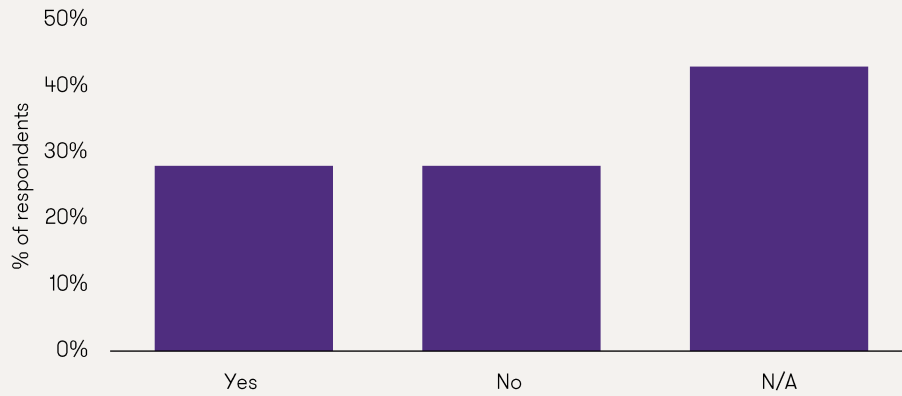


Figure 5: Did you participate in any form of occupational training during the pandemic?



Online or physical participation tuition

Figure 6: Would you rather participate in virtual training instead of physically travelling for training?





Environment

Respondents were also questioned on environmental issues; specifically on their preferred means of transport and personal protective equipment.

Figure 7: Which environmental issue are you mostly concerned about?

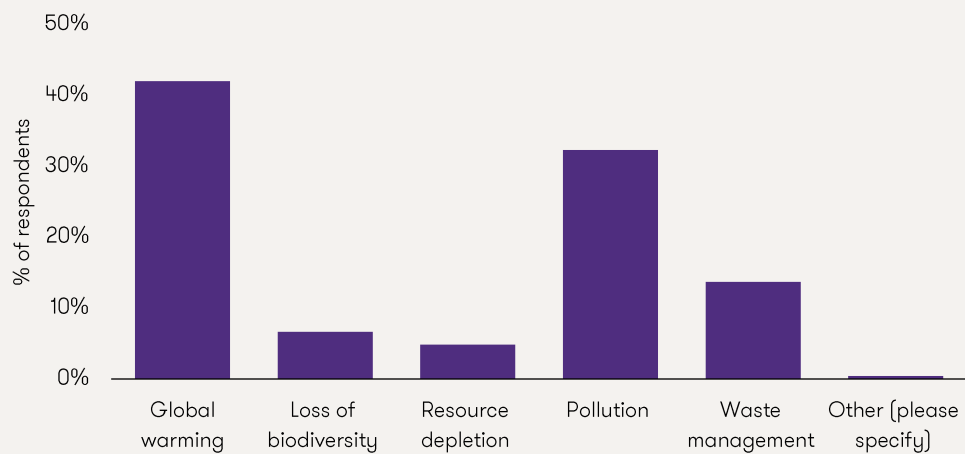


Figure 8: Do you consume more energy during the summer or winter months?

87%

of respondents indicated that they make use of more energy during summer

Figure 9: Do you own a car?

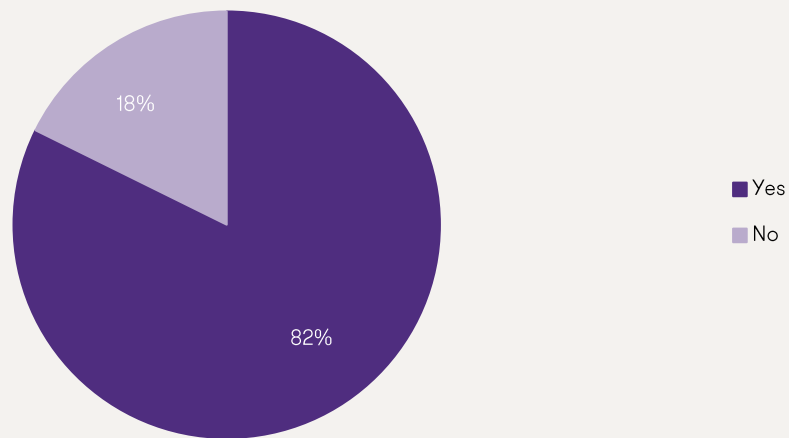
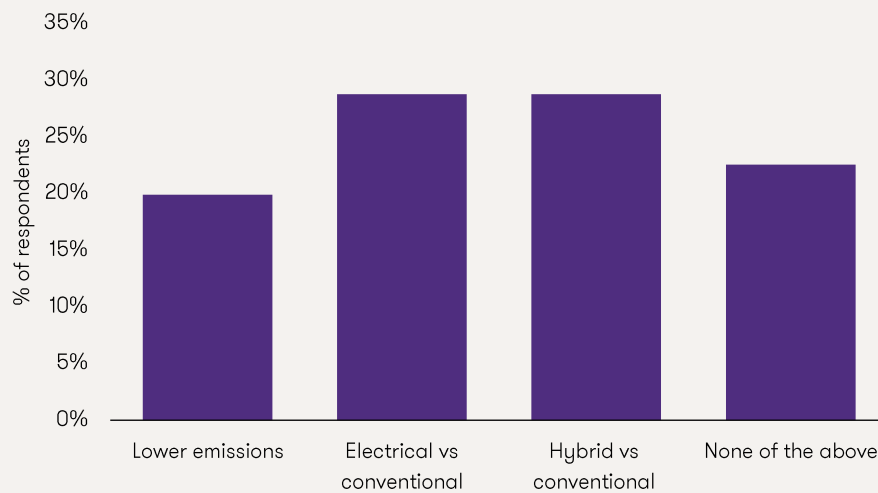


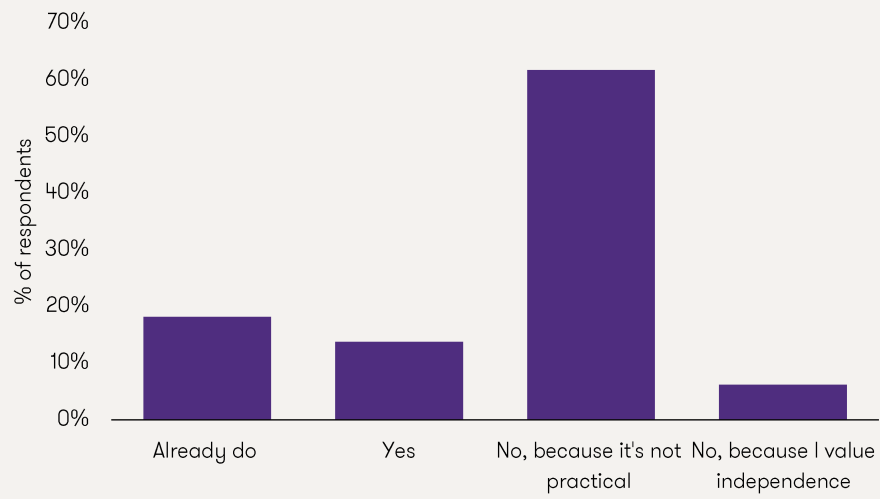
Figure 10: If you had to consider purchasing a new car, which of the following attributes would you give more weight to, post-COVID?



The respondents who indicated that they own a car were then asked which attributes (listed in the graph above) they would give more weight to:

- 20% of respondents indicated that they would give more weight to lower emissions;
- 29% of respondents would give more weight to purchasing a hybrid vehicle;
- 29% of respondents would consider purchasing an electrical vehicle;
- 22% of respondents would not give more weighting to the attributes listed.

Figure 11: Going forward, will you consider public transport over driving on your own to the office?



Respondents were asked some questions about the pandemic and how it has affected them personally. They were also asked if they are willing to change their job if their employer demands them to be on site instead of tele-working.

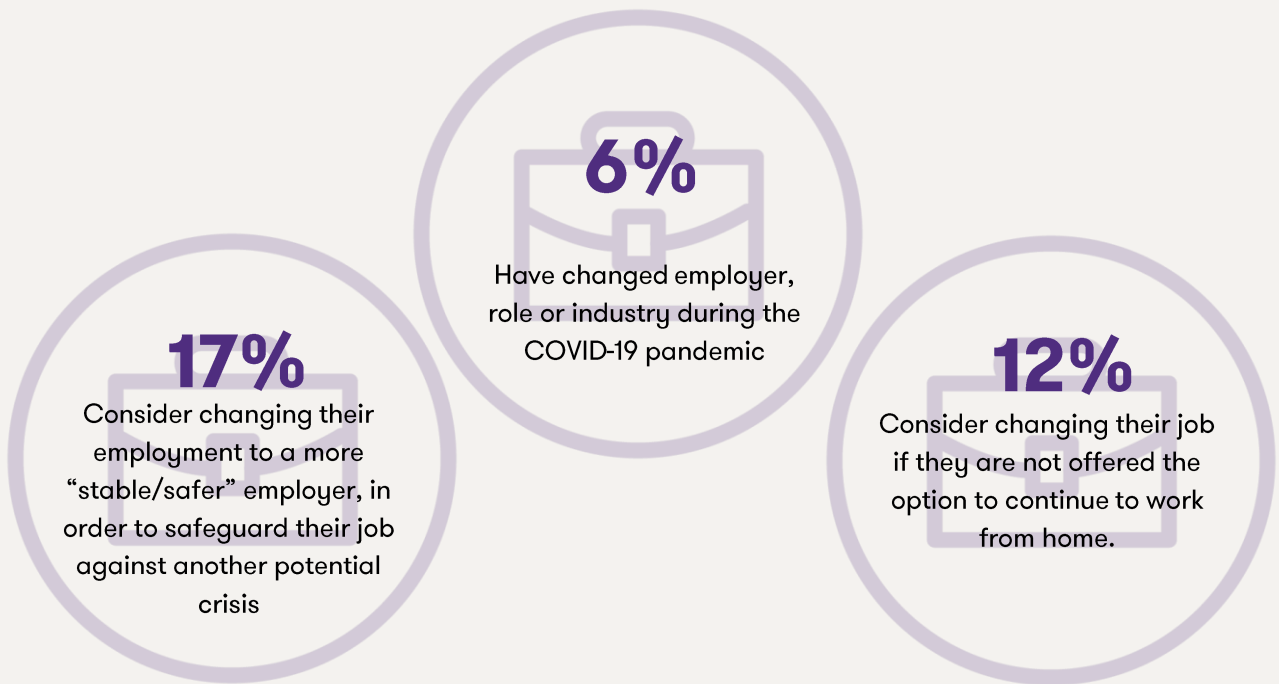


Figure 12: Respondents were also asked if they worked from home during the pandemic and if they had ever worked remotely before the pandemic.

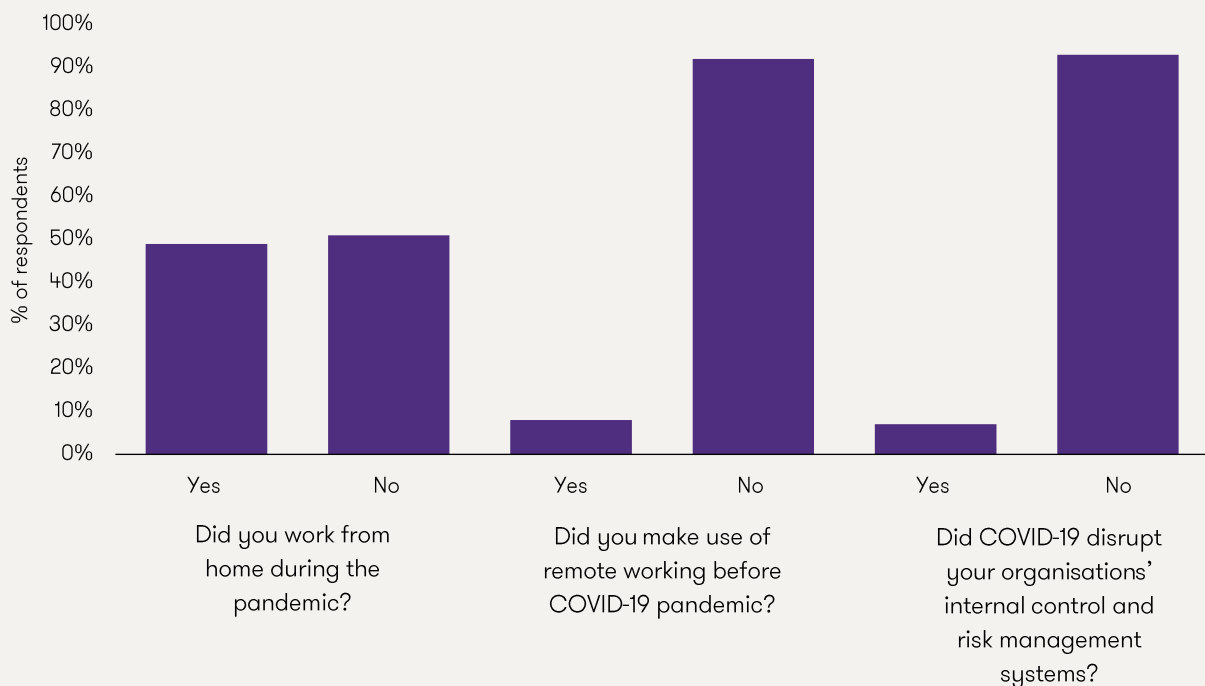
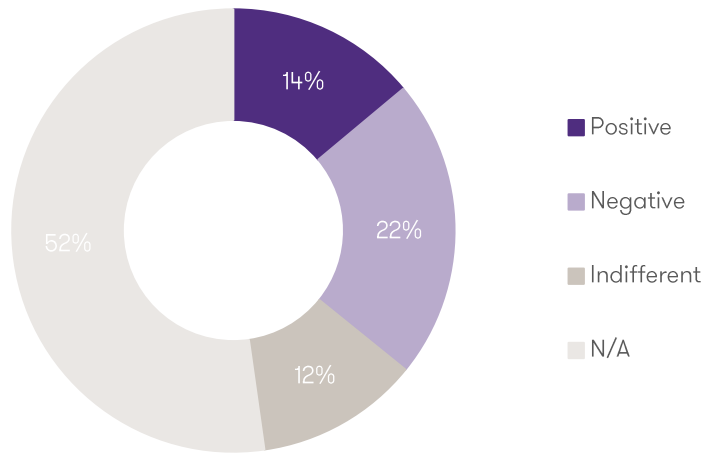


Figure 13: For respondents who answered that they worked from home during the pandemic, they were also asked whether they consider its effect on their wellbeing as positive or negative?

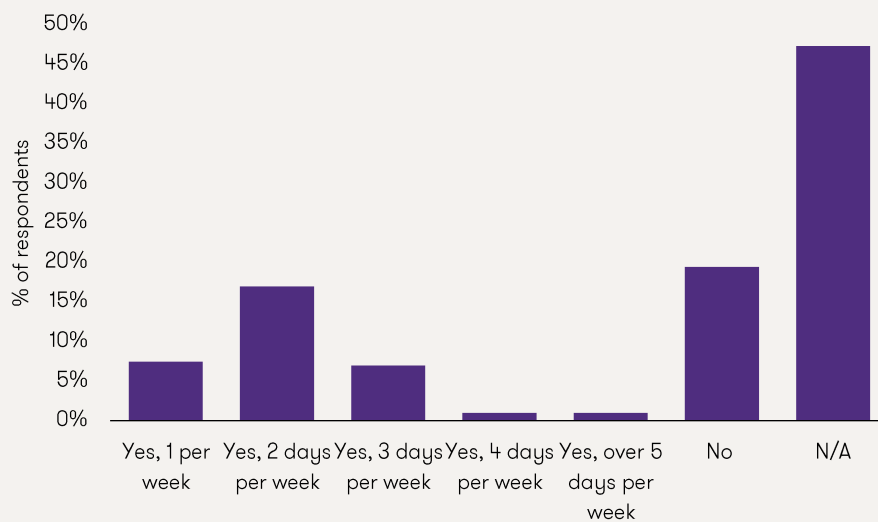




Economics and business

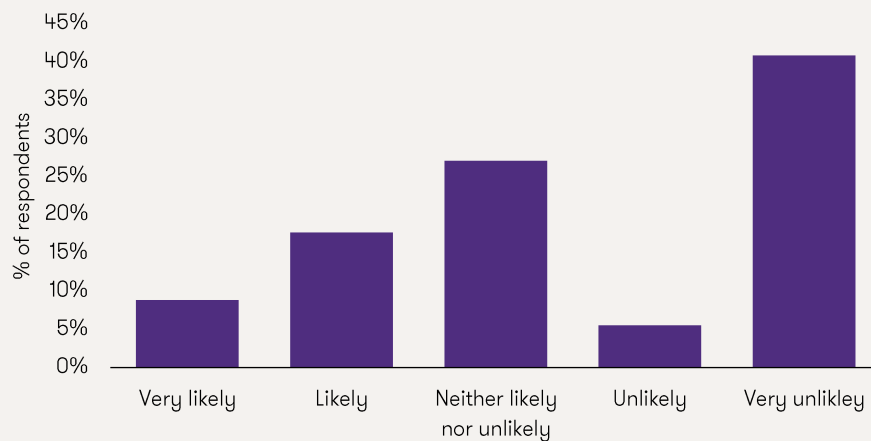
This survey sought to gauge the effect that the pandemic and workplace policies had on both employers and employees. Respondents were asked a few questions regarding the changes they experienced regarding their employment, specifically their attitude towards work from home arrangements, productivity, and cost savings.

Figure 14: If offered the option to tele-work/work from home once restrictions are lifted, would you make use of it and, if so, how often?



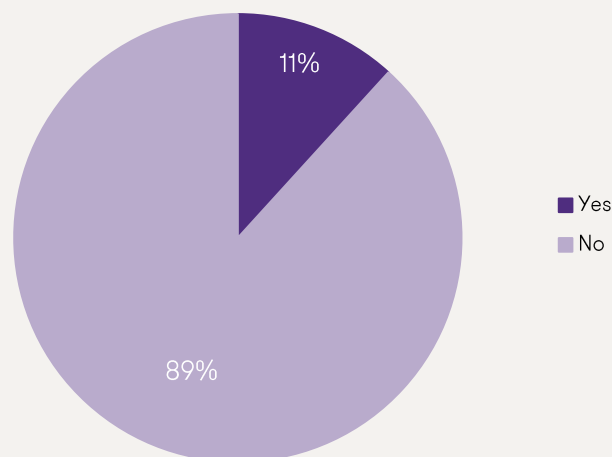
As stated earlier, 81% of respondents indicated that they would opt to work from home. Out of the respondents who prefer to work from home, the survey deduced that the most popular option was to work from home for 2 days per week.

Figure 15: How likely is it that your employer will offer, or continue to offer you the option to work from home?



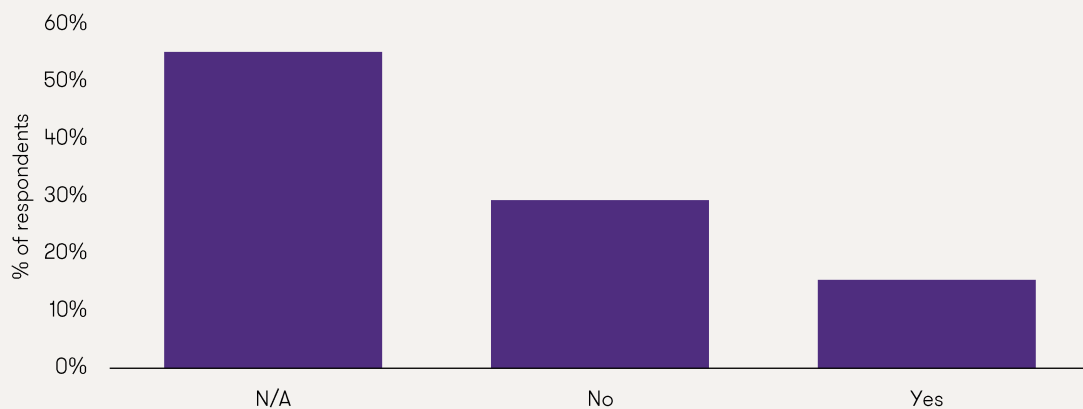
Most of the respondents indicated that it is very unlikely for their employers to offer them the option to work from home.

Figure 16: If you are not offered the option to continue to work from home by your employer, would you consider changing job to one which offers such arrangement?



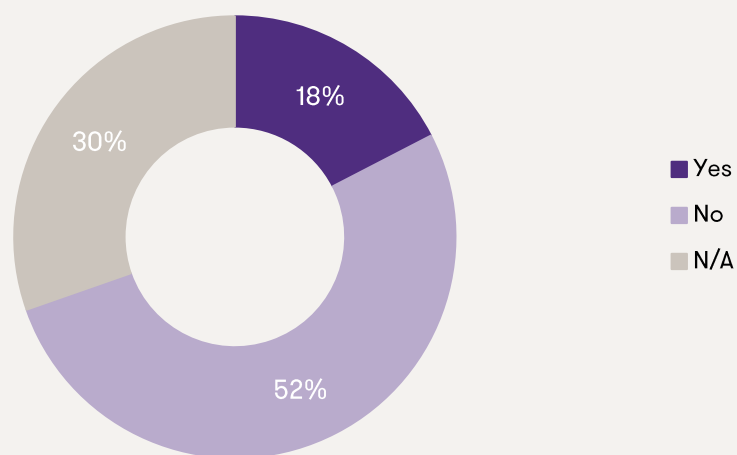
Overall, 11% of total respondents indicated that they **would consider leaving** their current job if they were not offered the option to work from home and seek an employment arrangement which offers tele-working.

Figure 17: Do you feel that more was expected from your output when teleworking?



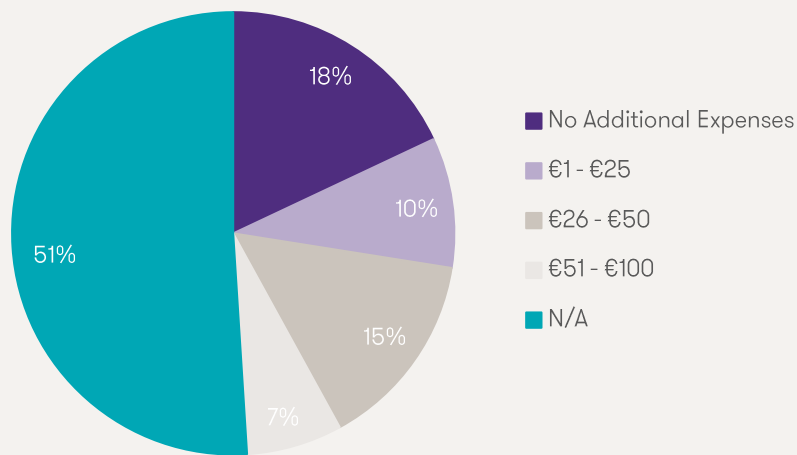
Employers were also asked if they felt that more output was expected from them when teleworking. Although the majority did not respond, 34% of the respondents who answered 'yes' or 'no', felt that more was expected from them, whilst 66% felt indifferent.

Figure 18: Can you perform all tasks required by your job from home?



Half of the respondents indicated that they would not be able to perform all tasks from home, however when it comes to handling IT issues, most of the respondents indicated that they would be able to handle the problems on their own without the assistance of the IT team.

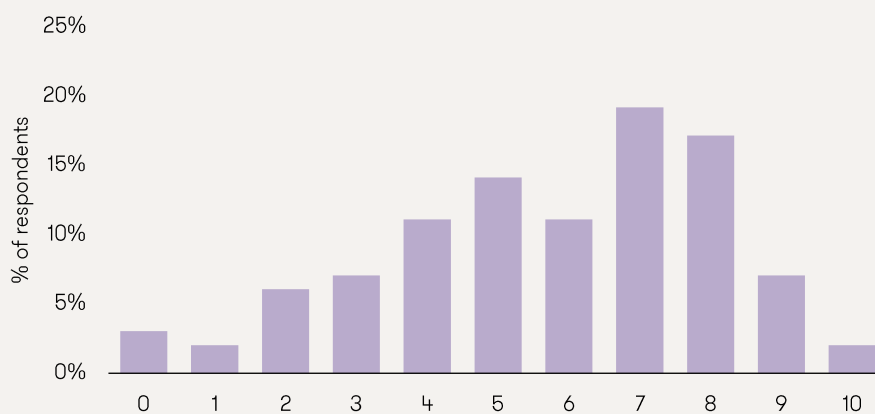
Figure 19: What is the average cost or savings (e.g., from commuting) per month of working from home as compared to working from office?



Results have shown that most of the employees' relationships with their superiors have remained the same whilst working from home.



Figure 20: From a scale of 0 to 10, with 0 signifying the lowest happiness level, how happy are you or would you be working remotely?





Differences in monthly rent charges

From the Landlord's point of view:

61%

Did not change the monthly rental charge over the past 6-12 months

94%

Will continue renting out their property over the next 6-12 months

From the tenant's point of view:

86%

Will continue renting property over the next 6-12 months

32%

Of the tenants had their monthly rental charge decreased

33%

Expect their monthly rent to increase over the next 6-12 months

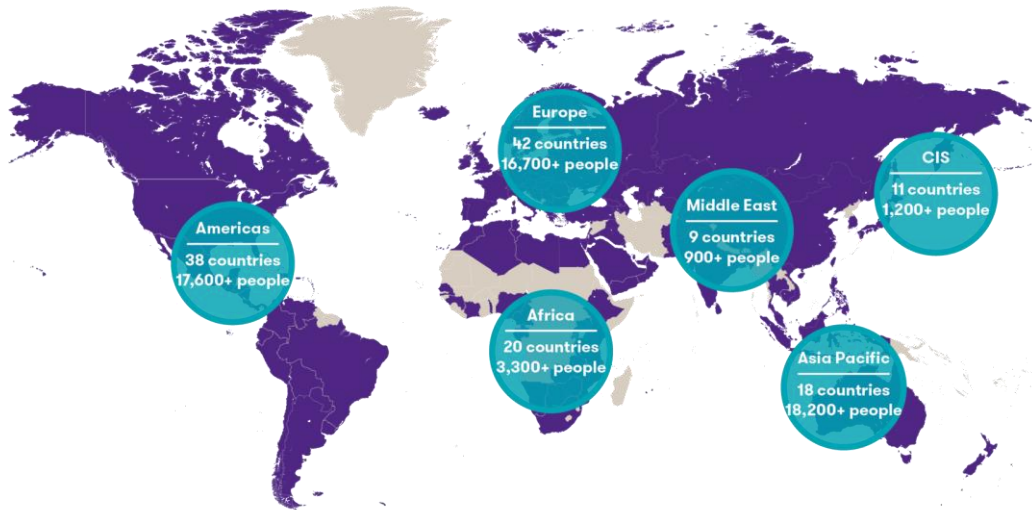
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USD5.76bn
(2020 revenue)



58,000+
people



750+
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138
countries

Grant Thornton Malta

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- change and program management
- business intelligence and analytics
- business valuation and litigation support
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- project financing
- due diligence
- valuations
- foreign direct investment

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- recovery

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- IT business consultancy
- technology implementation
- blockchain technology
- fintech consultancy
- cyber security consultancy

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- global mobility services
- indirect tax advisory
- transfer pricing
- estate planning
- wealth advisory
- FATCA/CRS advisory and compliance
- IRS qualified intermediary advisory and compliance
- regulatory and legal
- corporate services
- ship and aircraft registration
- company formation
- financial regulatory services
- trust and fiduciary services

Outsourcing

- bookkeeping and financial accounting
- payroll and personnel administration
- direct and indirect tax compliance
- human resources
- compilation of financial statements
- business process outsourcing including back office and secretarial
- consulting and processing engagements
- family business consulting

Economic advisory services

- economic impact assessments
- cost-benefit analyses
- cost effectiveness analyses
- value for money analyses
- public private partnership advisory
- public procurement advisory
- advocacy reporting
- evaluations of projects, policies and programmes
- strategy development
- product development costing and determination of pricing strategies
- market research
- survey design, collection and analyses
- ad-hoc engagements

Quantitative risk advisory

- ICAAP & ILAAP
- capital requirements
- ALM & Actuarial ALM
- stress testing (BASEL III / SOLVENCY II)
- independence reviews
- credit risk
- interest rate risk
- price risk (hedging)
- foreign exchange risk
- data mining
- data science
- Tableau dashboard
- data management
- statistics and data analytics
- remediation and anti-money laundering
- tool kit using research techniques

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- assistance with EU and local funding
- marketing and communications consultancy
- brand development
- human resource consultancy

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