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## **Low Touch Economy’s Development Prospects in the Post-Coronavirus World**

Everyone knows that with the onset of the COVID-19 pandemic, the nature of the relationship between economic operators has undergone significant changes. Under the new conditions, high touch economy faded into the background, and the emphasis shifted towards low touch economy. The new ethic of the functioning of commercial and non-profit organizations is to reduce social interactions in real life. Instead, the number of remote operations is growing. This allows closing deals, serving customers, and generally supporting the economy without the risk of a virus spreading [1]. Will everything be as it was after the virus retreats, or will companies in the future prefer to move their activities online as much as possible? To find out, it is necessary to know the positive and negative factors of both concepts in comparison with each other, the psychological and technical readiness of people to go online, as well as how significant these factors are for making decisions regarding the format of the organization’s functioning.

Speaking of the low touch economy, it is worth noting that various industries quickly adapted to remote work, increased productivity and reduced organizational costs due to home offices [2]. The benefits can also include a reduction in the number of business trips and, accordingly, the financial costs of them. In addition, due to the lack of the need to go to and from work every day, employees have additional personal time. Consumers will eventually be able to get a cheaper product due to lower administrative costs.

From all of the above, simultaneously the disadvantages of high touch economy can be singled out: the cost of renting, maintaining and protecting working premises, the additional time spent on physical movement from point A to point B, the risk of spreading diseases through direct interaction (the same flu, various viruses etc).

At the same time, offline work has a significant advantage over remote work. People who suddenly moved from their usual offices to self-equipped offices at home experienced great stress and discomfort: a home environment that does not favor concentrated work, the perception of home as a place for leisure, but not for intense mental activity and business negotiations; various distractions in the form of relatives, noisy neighbors, TV etc. High touch economy is effective from this point of view, as it allows employees to tune in to the working mood, forces them to maintain discipline and largely abstract themselves from extraneous irritants. It is impossible not to consider the point regarding the quality of team and creative work online.

Nicholas Bloom, professor of economics at Stanford Graduate School of Business, says he has spoken to dozens of CEOs and employees who report that while working from home is effective in keeping things going, creativity has suffered. And while “change and crisis” will drive some innovation, he doubts it will make up for constraints on creativity created by working from home. “I fear 2020 will be the year of little innovation, and 2021 the year of disappointment”, he says [3].

Undoubtedly, the abrupt transition to a low touch economy is a great stress for people. After all, usually even the transfer of an employee from one department to another already causes him stress, not to mention a radical change in the way of carrying out professional activities in connection with a pandemic (formal and informal communication, including brainstorming, meetings, communication during breaks, etc.).

For a while, this can really negatively affect the generation of ideas and the search for alternative solutions to any problems. However, with the competent work of managers, the period of stagnation will not last long. Therefore, it is important to ensure that the environment conducive to

creativity is recreated again, taking into account the introduced restrictions and using new opportunities. The same applies to the work of teams, which only need to go through a period of adaptation in order to return to the previous level of efficiency. Naturally, this requires a systematic approach in the form of analysis of the employees' morale and their relationships. Based on this, various trainings and remote events that contribute to maintaining (or restoring) the team spirit.

As we can see, the main and at first glance rather significant problem associated with the shift in emphasis towards the economy of limited interaction is a temporary decrease in the productivity of workers. The reason for this, among other things, is the technical unpreparedness for the maximum transition of companies to remote work: there is no necessary knowledge, skills and resources for the momentary transfer of the activities of office employees to online. Is this a reason to completely return to the way it was before the pandemic? Hardly. Firstly, it has a short-term effect, since in the modern world, companies very quickly adapt to constantly changing conditions. Having gone through a period of adaptation to the low touch economy, in the long term, they will be able to reduce costs and optimize work. The only question that remains is whether companies are really ready to take this step. Remote working continues to catch on as a viable alternative to the workplace. More than half of leaders (54 %) now say they plan to make remote work a permanent option for roles that allow it, up from 43 % in our last survey. Only 26 % of leaders are concerned about losing productivity due to remote work now, a significant drop from the beginning of the pandemic (63 % in our March survey) – while 49 % are trying to improve the remote work experience for their people [4].

Thus, there is reason to believe that many companies will not significantly shift the focus back towards the high touch economy. Including because they have already partially passed the adaptation period, and it will not be as difficult to move forward as it was at the beginning of the quarantine.

#### *Sources and literature*

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