

At 31%, the proportion of businesses that consider that health protection measures affect their productivity is declining, but remains high

In October 2020 then in January 2021, some new questions were added to the quarterly business tendency surveys in industry, services and the building construction industry relating to the repercussions of the health crisis on productivity in these companies.

Over this period, the share of business leaders in industry and construction who reported that their workforce was relatively large, given their current level of activity, decreased. The adverse effects of the health measures on corporate productivity were mentioned less often by businesses, no doubt in part because of the adaptations they have already made, but perhaps also because other difficulties are taking over. However, teleworking appears to be affecting productivity more.

In January 2021, fewer business leaders than in October 2020 reported that numbers in their workforce were relatively high given their level of activity

Between October 2020 and January 2021, the share of businesses that considered that their workforce was large given their current level of activity declined, from 24% to 20%. This decline was significant in building construction and industry (from 16% to 9% in building and from 28 to 22% in industry, ► **figure 1**). In industry, the share of employers who considered that their workforce was relatively large declined mainly in the sectors manufacturing capital goods and transport equipment, where it had previously been highest.

In the service sectors covered by the survey (► **Méthode**), this decline is less perceptible. In fact, the share of companies that considered that their workforce was relatively large declined in some sub-sectors only, notably activity in specialised scientific and

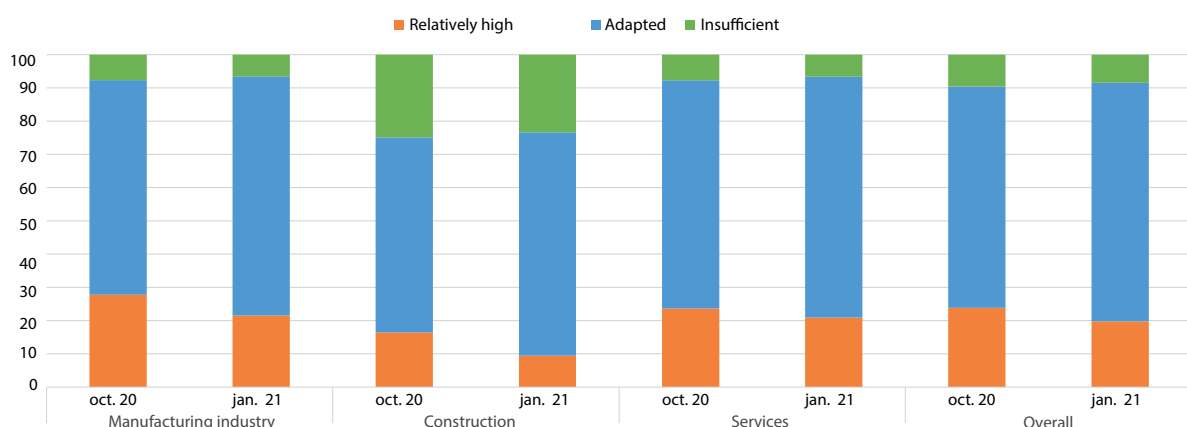
technical services and in administrative and support services. Conversely, this share increased sharply in accommodation-catering, where constraints on activity have been tightened since October.

In January 2021, 31% of companies said that the health protection measures reduce productivity

The share of companies who consider that the protective health measures (masks, physical distancing, etc.) are detrimental to their productivity was 31% in January 2021, against 38% one quarter earlier (► **figure 2**). This apparent decrease from October 2020 should nevertheless be interpreted with caution because the reasons, as expressed by companies in the “free-text comments” section of the survey, may vary. For some businesses, the health measures would seem to have generated some fixed costs for implementation (e.g. purchase of materials) and resulted in a slowdown in production, while teams got used to the new protocols.

► 1. Businesses' opinion on their workforce size given their current activity

in %



Note: results are weighted according to the workforce of the units surveyed.

Source: INSEE, business surveys in industry, services and construction in October 2020 and January 2021

French economic outlook

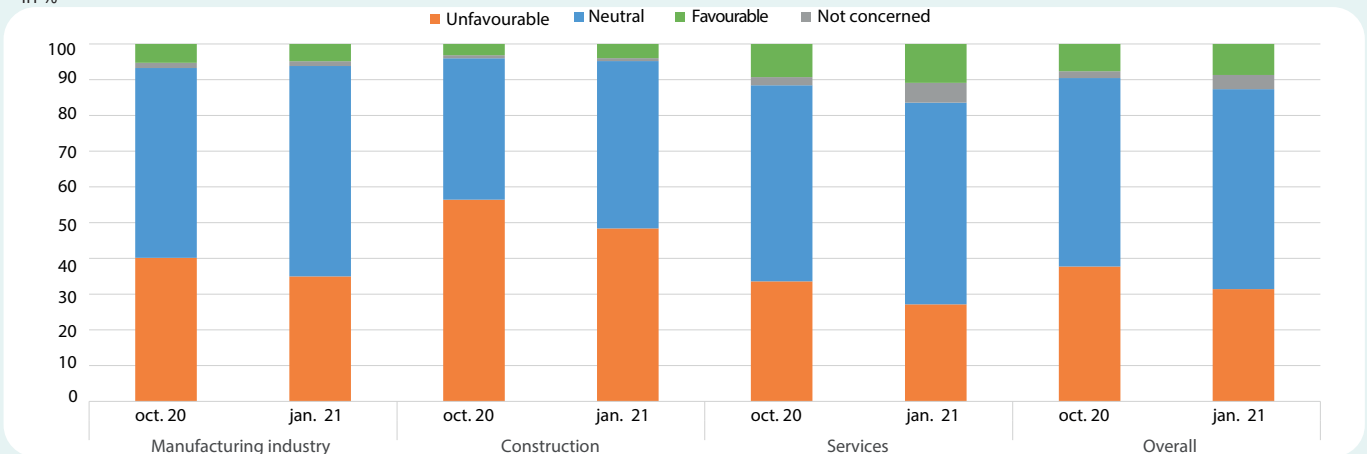
Once these measures were in place, productivity would seem to have stabilised at a less degraded level than during the period when the protective measures were introduced. For other businesses, a drop in output, following a drop in demand, may push any constraints related to the health protocols into the background. Finally, in extreme cases, activity is almost at a complete standstill and their productivity is therefore virtually zero. Thus, in services, the share of businesses reporting that they are not concerned by the issue increased between October and January, especially in accommodation-catering.

The share of companies reporting that reorganisation had a negative effect on their productivity was generally stable between October 2020 and January 2021 (► [figure 3](#)).

In the context of the Covid-19 pandemic, a few more companies consider that teleworking is detrimental to productivity

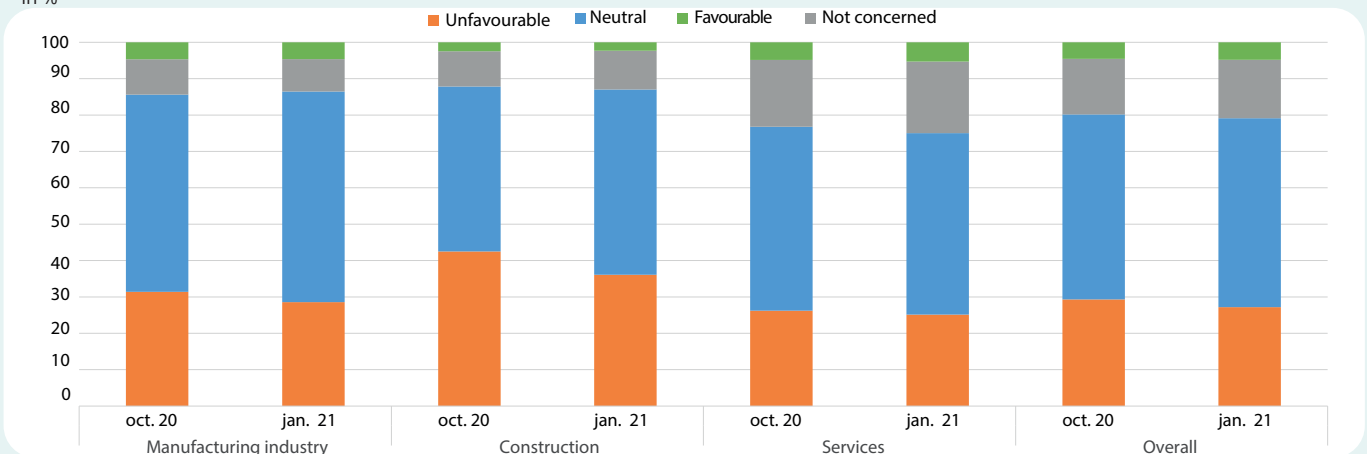
In January 2021, 16% of companies considered that teleworking had a detrimental effect on their productivity, against 12% three months earlier. Following the second

► 2. Businesses' opinion on the effect of health protection measures on productivity, by sector



Note: results are weighted according to the workforce of the units surveyed.
Source: INSEE, business surveys in industry, services and construction in October 2020 and January 2021

► 3. Businesses' opinion on the effect of reorganisation on productivity, by sector



Note: results are weighted according to the workforce of the units surveyed.
Source: INSEE, business surveys in industry, services and construction in October 2020 and January 2021

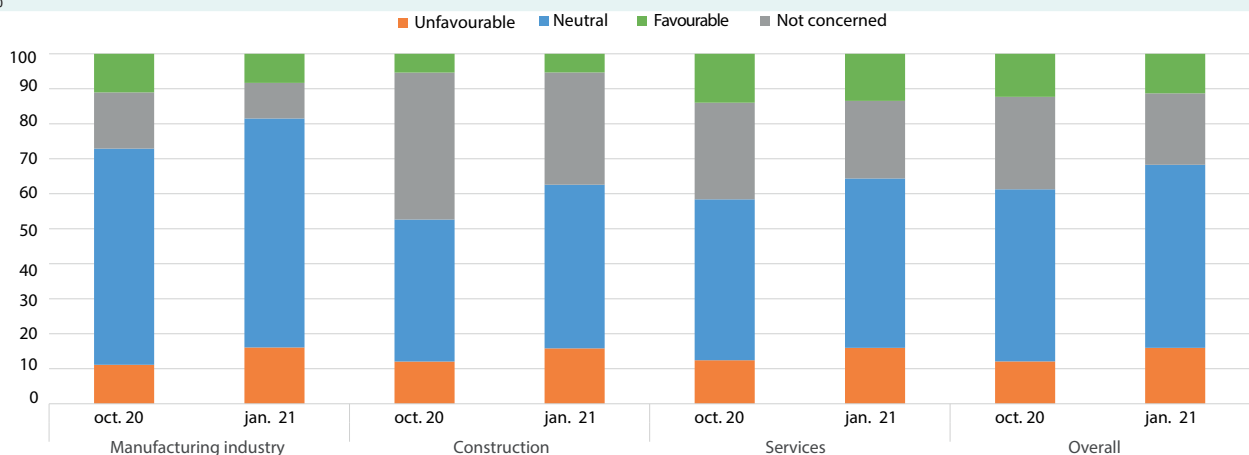
lockdown, 100% teleworking was strongly encouraged for those professions where this was possible. Thus the share of companies who said they were not concerned declined substantially. In addition, according to the comments made by companies, the intensification of teleworking and the fact that it is being rolled out in the long term could be a source of further difficulties, especially for administrative and support services.

All in all, at 43%, the share of companies reporting detrimental effects on their productivity, irrespective of the cause (health measures, reorganisation or teleworking) was down between October 2020 and January 2021, but this figure is still high. ●

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► 4. Businesses' opinion on the effect of teleworking on productivity, by sector

in %



Note: results are weighted according to the workforce of the units surveyed.

Source: INSEE, business surveys in industry, services and construction in October 2020 and January 2021

► Methodology box

Repercussions of the health crisis on productivity: new questions in the business tendency surveys

In October 2020 and January 2021, new questions were added to the quarterly questionnaires for the business tendency surveys in industry, services and building construction, asking business leaders to describe the repercussions of the health crisis on their productivity. The exact wording of the questions is given below.

The notion of workforce is defined differently, according to sector. In services, respondents are specifically asked to include temporary workers. In industry and building construction, the questionnaires mention “total workforce”, but with no specific definition. Short-time working is not mentioned; employees on short-time working are in any case counted as part of the company’s workforce.

For the January data collection, companies returned the questionnaires between 28 December 2020 and 27 January 2021. The response rate over this period, weighted according to turnover, was about 70%. The results presented here are weighted according to company workforce. The October results, originally published in the Economic Outlook of 17 November 2020, were revised for the services sector, after the weightings were adjusted.

The scope considered here is the usual one for business tendency surveys in industry, services and building construction. The new questions were not added to the survey of retail trade businesses. Industrial companies with more than 20 employees were surveyed, also companies in building construction with more than 10 employees. The services sector survey covers market services, excluding air, rail and water transport services, financial and insurance services, scientific research and development services and the arts, entertainment and recreational activities sub-sector. Estimates for the total scope were obtained by weighting the results according to workforce size, excluding temporary workers, in industry, construction and all market services. ●

► 5. New questions in the business tendency surveys in industry, services and building construction

Les répercussions de la crise sanitaire sur la productivité

➔ 4. Actuellement, au regard de votre niveau d'activité, vos effectifs vous paraissent-ils :

- relativement élevés
- adaptés
- insuffisants

➔ 5. Actuellement, les mesures suivantes ont-elles un effet sur la productivité de votre entreprise ?

Les mesures de protection sanitaires (masques, distanciation physique, etc.) favorable neutre défavorable non concerné

Le recours au télétravail favorable neutre défavorable non concerné

La réorganisation de l'activité (logistique, approvisionnements, ordonnancement des travaux, etc.) favorable neutre défavorable non concerné

➔ 6. Précisez en quelques mots l'impact des mesures mises en place dans votre entreprise sur la productivité :