In October 2021, about one-third of businesses consider that the measures related to the health crisis are affecting their activity, a smaller share than in April 2021

From October 2020 to October 2021, some new quarterly questions were added to the business tendency surveys in industry, services and the building construction industry relating to the repercussions of the health crisis on productivity in these businesses. During this year, marked by the ups and downs of the health crisis and an economic recovery surrounded by tensions, the share of businesses reporting a negative impact of the health measures on their productivity decreased. In October 2021, it still stood at 36%, however.

Since the summer of 2021, businesses have reported fewer obstacles to productivity linked to health crisis measures.

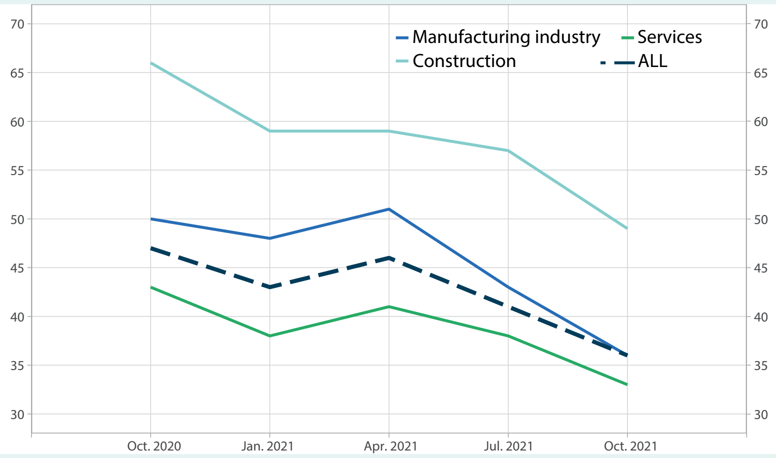
In October 2021, the share of businesses declaring that measures relating to the health crisis (health protection measures, reorganisation measures, teleworking) are having a negative effect on their productivity continued to fall, after beginning to take a downward turn in July. It thus stood at 36% in October, after a little more than 45% in April (► **Figure 1**). The trend is the same in the three sectors considered (industry, services, building). The building sector is distinguished by a larger share of businesses expressing such a negative impression than in the other two sectors, over the whole of the period.

When each measure is considered separately (► **Box 1**), once again there are fewer and fewer businesses that consider they are having a negative effect on productivity. The extent of this downward variation is not the same for all the different measures, however.

The health protection measures themselves (masks, keeping a safe physical distance, etc.) have affected all the main sectors of activity: the share of businesses that state they are not concerned has remained low throughout the period (► **Figure 2**). These direct protection measures are less often reported as weighing down on productivity: overall, 23% of businesses referred to them in October 2021, against 38% one year earlier. This gradual decrease is more pronounced in industry and building than in services. By habit or by adaptation, even though they have been in place throughout the period, the health protection measures are considered more widely than one year ago as having a neutral effect on productivity, in particular in building. It is in industry that the health protection measures are most widely considered neutral: in October 2021, three-quarters of businesses declared that they were not having an effect on their productivity.

► 1. The proportion of businesses declaring at least one negative effect on productivity of the measures linked to the health situation has been decreasing since spring 2021

in %



Note: responses are weighted according to the workforce of the units surveyed. Here we consider those businesses that declared a negative impact on productivity for at least one of the three actions proposed in the questionnaire: health protection measures (masks, safe distances, etc.), reorganisations, and teleworking.

Source: INSEE, business surveys in industry, services and construction

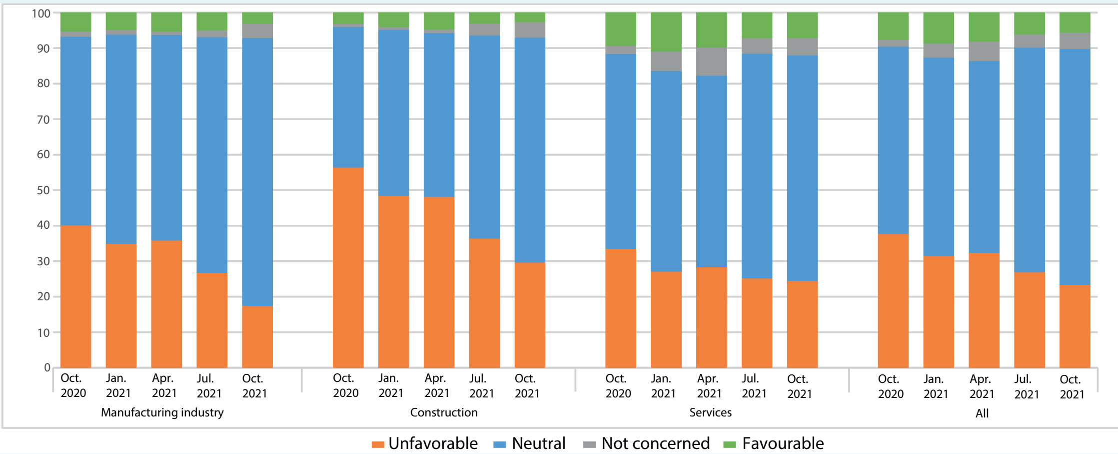
In services, on the contrary, accommodation and food services stand out clearly from the other sectors: the negative impression there is very strong and concerned almost 50% of businesses in October (► **Box 2**).

The opinions of businesses have varied to a greater extent on the subject of the effect of teleworking on productivity. From autumn 2020 to spring 2021, teleworking was increasingly considered as having a negative effect, but this assessment decreased through to October 2021, falling to a lower level than in October 2020 (► **Figure 3**). This trend echoes that in "forced" teleworking over the period: the increase in negative opinions between autumn 2020 and spring 2021 came against a backdrop of large-scale use of teleworking; the view in October 2021, meanwhile, refers more to a context of moderate and non-mandatory teleworking. In this respect, the proportion of businesses that state they are not concerned fell until April 2021 and then increased until October 2021, coming close to its level one year earlier, showing a return of these sectors to a way of working that is closer to that pre-crisis.

In services, the sectors of information and communication and of specialised, scientific and technical activities stand out by the fact that a larger portion of businesses are concerned by teleworking, both at the height of the crisis and in October 2021; in these sectors the number that considers that teleworking linked to the health situation is detrimental to their productivity has fallen very significantly from its level in spring 2021: it has slipped from about 30% in April 2021 to less than 15% in October 2021 (11% in information-communication, 13% in specialised activities).

► 2. Opinion of businesses on the effect of health protection measures (masks, safe distances, etc.) on productivity, by sector

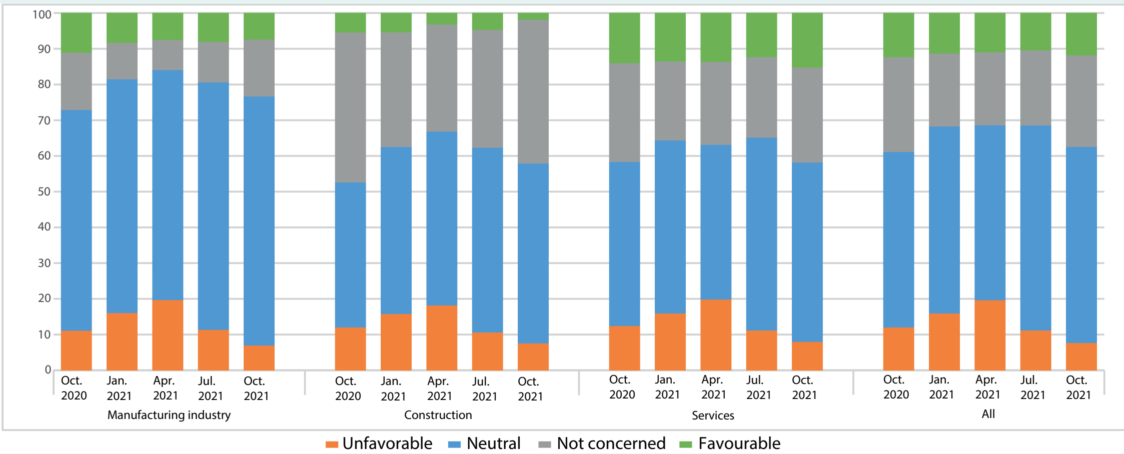
in %



Note: the health protection measures refer to wearing a mask, measures imposing a safe physical distance, etc. Responses are weighted according to the workforce of the units surveyed.
Source: INSEE, business surveys in industry, services and construction

► 3. Opinion of businesses on the effect of teleworking on productivity, by sector

in %



Note: responses are weighted according to the workforce of the units surveyed.
Source: INSEE, business surveys in industry, services and construction

Regarding reorganisations of activity caused by the health crisis, they have been of different kinds: in logistics, sourcing, works scheduling, etc. Like for teleworking and the health measures, they were less often considered as being detrimental to productivity in October 2021 than in October 2020 (► **Figure 4**). However, this fall in negative opinions was less pronounced than for the other types of measures (health protection measures, teleworking). In building and in industry, there are still quite a lot of businesses reporting that reorganisations linked to the health crisis are having a negative effect on their productivity, in particular in the sector of capital goods and in transport equipment (around 30% in both). In services, the same applies to accommodation and food services (30% too, a larger proportion than the average in services as a whole, box).

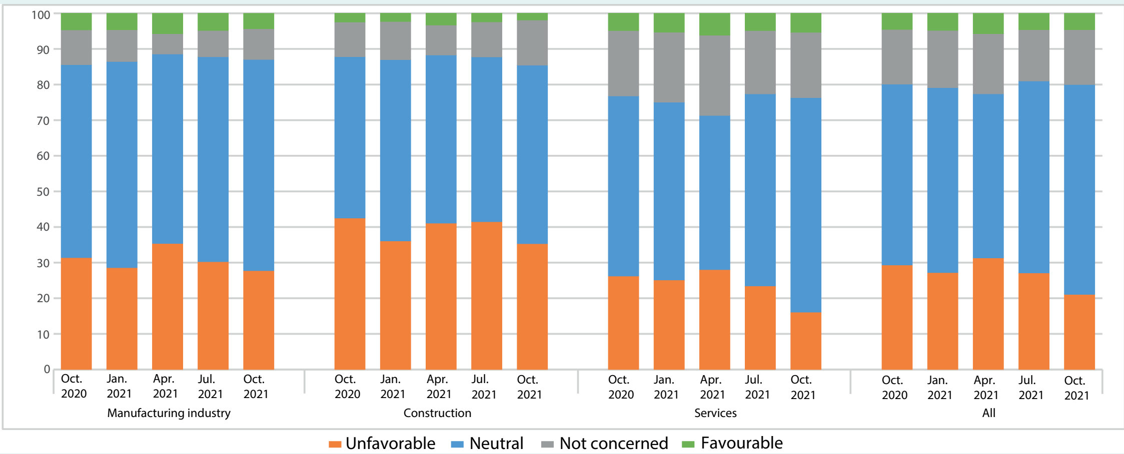
With the recovery, the workforce is increasingly considered insufficient

As well as the effects on productivity of the measures linked with the health crisis, businesses were also surveyed on the size of their workforces and whether they are suited to their level of activity.

Since the beginning of 2021, more and more businesses have come to judge that their workforce is insufficient given their activity (► **Figure 5**). This tension has increased with the recovery: in July 2021, the share of businesses that considered their workforce to be insufficient began to overtake the number of businesses considering that they their workforce is more than sufficient given their activity. This trend has been accentuated: all in all in October 2021, one-quarter of businesses considered their workforce to

► 4. Opinion of businesses on the effect of reorganisations on productivity

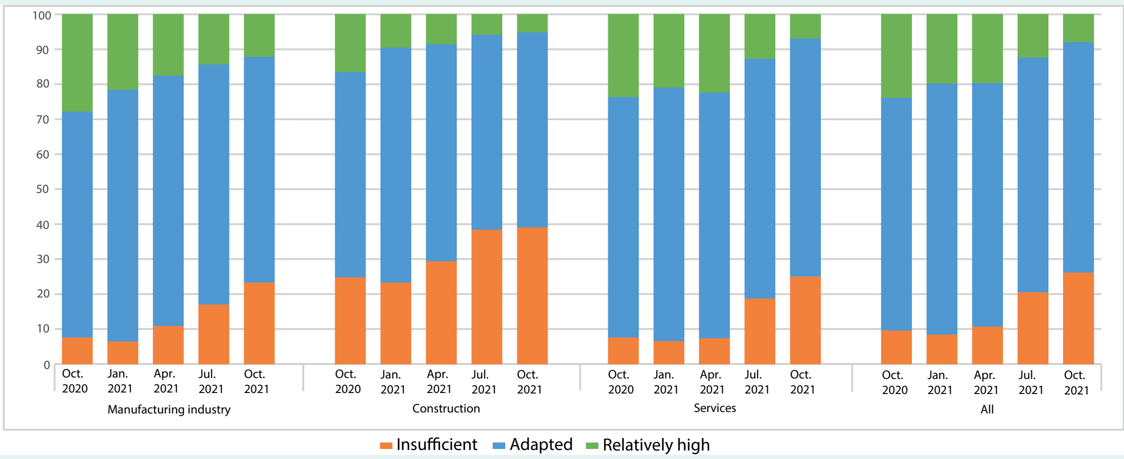
in %



Note: responses are weighted according to the workforce of the units surveyed.
Source: INSEE, business surveys in industry, services and construction

► 5. Opinion of businesses on their workforce size given their current activity

in %



Note: responses are weighted according to the workforce of the units surveyed.
Source: INSEE, business surveys in industry, services and construction

be insufficient given their activity, while less than 10% of them considered their workforce to be too large.

In industry, this tendency is particularly pronounced in the agrifood sector and in «other industries", in particular in metalworking and other metallic products and "other manufacturing industries, including repair and installation." The transport equipment sector is something of an exception: the proportion of businesses that consider they have a large workforce given their activity remained relatively high in October 2021 (36%), linked to the significant supply chain problems encountered by the sector which restrict it more than workforce numbers do.

In services, the turnaround in opinions on the high or insufficient level of the workforce in July was particularly pronounced in accommodation and food services, where the share of businesses that considered their workforce insufficient reached 46% in October.

Until spring 2021, during a period marked by a second and then a third lockdown, businesses would appear to have preferred to hold on to their employees despite the low activity levels, with the help of the public schemes in support of employment and to remunerate short-time working. From October 2020 to April 2021, there were therefore more businesses in industry and services reporting too high a level of employment for their activity than pointing to an insufficient workforce. The businesses in building may also have chosen to hold on to their workers pending a full resumption of their worksites. In building, however, the proportion of businesses that considered their workforce too small has always exceeded the number of businesses considering it to be too large, and labour shortages have been reported more widely in the sector than in the other two main sectors taken as a whole. ●

Myriam Broin

Box 1- Repercussions of the health crisis on productivity: a module of questions asked from October 2020 to October 2021 in three tendency surveys

From October 2020 to October 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 (► **Figure 6**).

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 was not mentioned: employees on short-time work are counted in the workforce of the businesses in any case.

The results for October 2021 were calculated on the basis of the responses sent by businesses between 27 September and 28 October 2021. The response rate for the business tendency surveys over this period weighted by turnover was 80% for the survey in industry, 75% for that in services, and 66% for that in building construction. The results given here are weighted according to the companies' workforces.

The scope considered is the usual one for business tendency surveys in industry, services and building construction. 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. ●

► 6. The set of themed questions in the business tendency surveys in industry, services and the building construction industry

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 ?

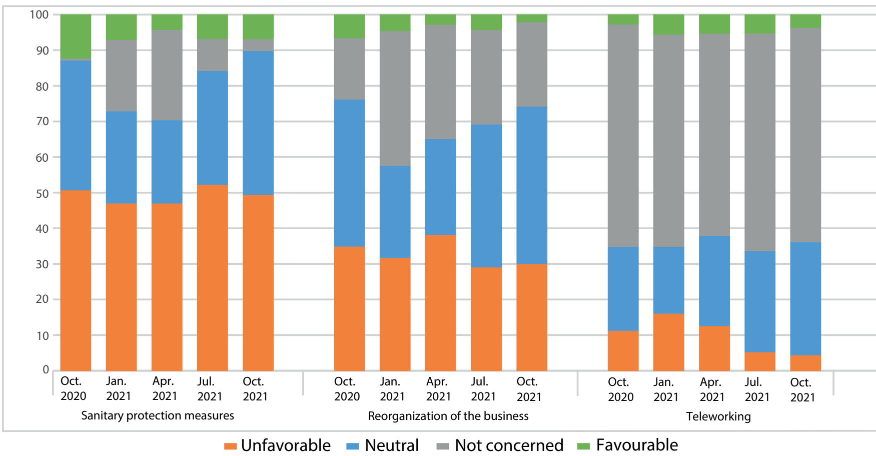
Les mesures de protections sanitaires (masques, distanciation physique, etc.)	☐ favorable	☐ neutre	☐ défavorable	☐ non concerné
Le recours au télétravail	☐ favorable	☐ neutre	☐ défavorable	☐ non concerné
La réaorganisation de l'activité (logistique, approvisionnements, ordonnancement des travaux, etc.)	☐ favorable	☐ neutre	☐ défavorable	☐ non concerné

Box 2- In accommodation and food services, the health protection measures are still widely considered to be detrimental to productivity

In accommodation and food services, the direct health protection measures (wearing a mask, maintaining a safe distance, sanitiser gel, etc.) continue to be widely considered as holding back activity, and have been since October 2020 (► **Figure 7**). In July 2021, the proportion of businesses that were not concerned had decreased considerably and the negative impression had grown, perhaps linked with the introduction of the health pass. This feeling then eased slightly, although remaining strong: in October 2021, almost half of businesses considered that the health protection measures were having a negative impact on their activity.

► 7. Opinion of accommodation and food services businesses on the effect of the different measures on their productivity

in %



Note: responses are weighted according to the workforce of the units surveyed.
Source: INSEE, business survey in services

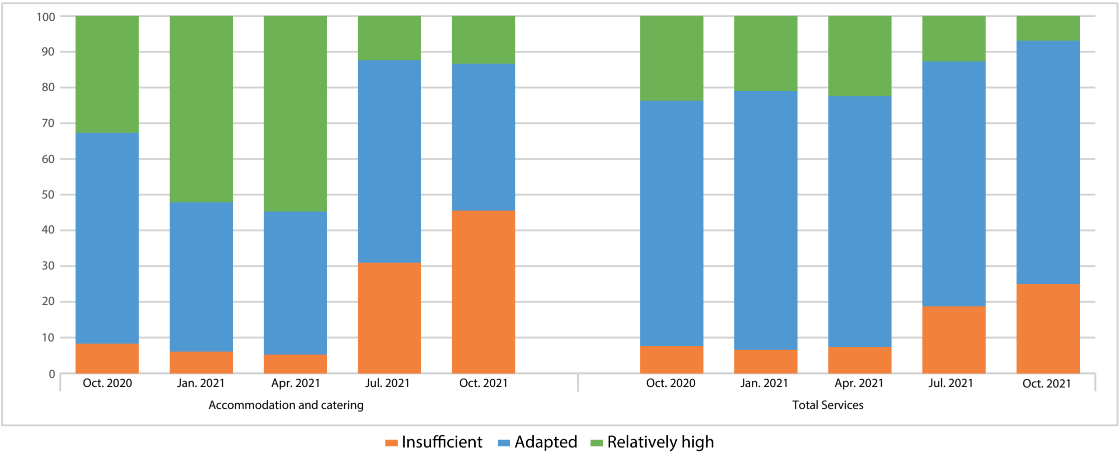
Having to revise the organisation of work on account of the health crisis also continued to be perceived as hindering productivity by 30% of businesses in October 2021, a smaller share than one year earlier, although still considerable.

Regarding teleworking, accommodation and food services are activities that by their very nature do not lend themselves to such an organisation: a large majority of companies therefore declare that they are not concerned. However, some parts of the activity can be carried out by teleworking, such as handling bookings or the administrative side of the activity. As in the other service sectors, the share of negative opinions of the impact on productivity has decreased significantly in relation to its level in October 2020.

Finally, the general recovery in activity after the third lockdown in spring 2021 resulted in a sharp rise in reports on insufficient workforce sizes, which was more pronounced in accommodation and food services than in services taken as a whole (► **Figure 8**). ●

► 8. Opinion of accommodation and food services businesses on their workforce size given their current activity

in %



Note: responses are weighted according to the workforce of the units surveyed.
Source: INSEE, business survey in services