Productivity in time of a Pandemic

A claim that there is increased productivity during a pandemic such as that of COVID-19, makes for interesting discussion. The validity of any such claim requires that it is substantiated or validated by supporting empirical evidence. In the absence of such evidence, any claim is basically speculative. Moreover, it can be misleading, and so contribute to the drawing of incorrect conclusions and even the making of bad decisions that are founded on misinformation.

Standing on the premise that in a pandemic, things are not normal, the reasonable assumption is that there is an expected decline in productivity at workplaces. With resultant lockdowns occasioned by the COVID-19 pandemic that give rise to the closure of some businesses, and reduced working hours, it is highly unlikely that this would not translate into a severe reduction in productivity. This falloff in productivity will be recorded in the output of workers and the overall productivity at the enterprise level. For the most part, the lockdown impacts the private sector, as commercial activity grinds to a halt or moves at a slower pace. Retail and wholesale businesses as well as the services sector, all take a direct hit. Micro and small businesses grind to a virtual halt, and they are joined by entrepreneurs and self-employed persons.

Business activity in the areas of hospitality, entertainment and recreation also feel the pinch at this time. Whereas some activity continues within the manufacturing sector, the construction industry goes into a state of lull. With respect to public services, operations remain a pace with the delivery of essential services. The same cannot be said for government offices and departments, as many of these only operate on a skeleton staff. With the significant reduction in work activities and work time, it begs the question of how can it be reasonably concluded that there is gross value added to be recorded in the time of a pandemic.

The movement of an economy is very much dependent on trade and commerce and manufacturing activity. The productivity in all sectors remains subjected to the input of labour. It can be reasoned that irrespective of the level of capital in the form of subsidies injected into enterprises in a time of a pandemic, the possibility exists that overall high levels of productivity will not be realized where there is the absence of labour to drive the process.

The probability of enhanced productivity in a time of a pandemic is further reduced by the required protocols to be observed. The stringent requirement of social distancing can retard workplace face-to-face interaction between members of staff and that of staff and customers. This will definitely account for a decline in labour productivity. The declining rate of productivity can also be attributed to the reduction of work hours of employees and the operational hours of businesses during the period. There is the likelihood that some business will record increase productivity during the time of a pandemic, but these are unlikely to be those who are dependent on face-to-face business activity, and are not designed to function using online transactions.

There is a presumption that remote working (working from home) will make a fundamental difference in driving worker productivity. This maybe so if workers are given specific tasks and the resources to make it happen. It all hinges on if the employee has the requisite facilities and equipment at their disposal to do the job. Does the individual worker have a home computer, the internet connectivity required and the available space in the home in which to conduct work without interference and to interface privately in online meetings? These are but a few questions to be answered.

Research findings by the Economic and Social Research Council of the University of Essex, suggest that where employees have been provided with the equipment and resources to work remotely, that this has proven to be successful. "Overall we find that workers at home report being approximately as productive as before the pandemic, on average. However, productivity varies substantially across socioeconomic groups, industries and occupations. Workers in sectors that are less suitable for home working, according to external metrics, report productivity declines. Groups reporting worse productivity are low earners, the self-employed and women, particularly those with children." The findings also identified that amongst the groups suffering the worst average declines in productivity, included women and those in low-paying jobs.

This brings us to arrive at an understanding as to why a conclusion on workers' productivity in this time of COVID-19, cannot be blanketed. It is required that any such conclusion has to be based on the performance by sector, considering that the measurements which apply per sector, may differ. The context of this is supported by the findings of the University of Essex Research Study, which conclude that "workers in industries and occupations that are less suitable for working from home, report lower productivities than before the pandemic."