# INDUSTRIAL PRODUCTIVITY AND WORK ENVIRONMENT

## Meaning of productivity

- Production refers to the output whereas productivity measures how efficiently the resources are utilised to generate specific output level.
- Industrial Productivity is measurement of the efficiency of production. Basically, it is the relationship between the amount of output and the number of inputs used to make the product or goods.
- Output implies total production while input means land, labour, capital, management, etc.
- Productivity implies value addition on input resources.
- The factors which may influence the productivity of the industrial sector include policies of Government, quality of the resource, technological advancements, capital, natural factors and many more.
- Productivity is computed by dividing average output per period by the total costs incurred or resources consumed in that period. Productivity is a critical determinant of cost efficiency.
- For example, let's say that a factory produces $10,000,000 worth of laptops in a month by employees whose total labour hours came to 5,000 hours. Using the formula above,
  Manufacturing productivity = 10,000,000 / 5,000 hours = $2,000/hour.

## Factors affecting Industrial Productivity

### 1) Nature of production process

The nature of production process determines the level of productivity of an industry. Organisations having mechanised production process have higher productivity as compared to industrial units using labour intensive production process. Capital intensive production process proves to be an efficient, cost effective and speedy process.

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### 2) Personnel factor

The right individual should be selected for suitable posts. Skilled manpower ensures higher industrial productivity whereas less qualified manpower results in lower productivity. After selection, they should be given proper training. If workers are provided with better working conditions, their productivity rises and so does the productivity of the organisation.

### 3) Finance factor

Finance is the life- blood of any business. Organisations with sound financial position can allocate funds for productivity improvement programs whereas those with less financial resources have lower productivity because they cannot invest funds in assets which can enhance production. Having enough capital enables business to invest in better machinery, equipment, technology and also to carry out research and development activities. Both overutilisation and underutilisation of capital should be avoided.

### 4) Management factor

Productivity of organization rests on the management factors. The management of organization should be scientific, professional, future-oriented, sincere, and competent. Managers should possess imagination, judgment skills and willingness to take risks. They should make optimum use of the available resources to get maximum output at the lowest cost and maintain good relations with the workforce.

### 5) Organizational factor