

Productivity

Meaning

1. Goods and Services produced in relation to the resources utilized in their production.
2. Drucker says-Productivity represents the balance between all factors of production that will give the greater output at smallest output

Introduction

- I. The relation between productivity and economic growth

Advantages

1. Increase in the efficiency of various factors of production
2. Economical use of various factors of production.
3. This decreases the total cost of production per unit
4. Decrease in overhead cost
5. Better quality
6. Improved standard of living

Advantages

1. Increase in wages and salaries to the workers
2. Better working conditions
3. Better Finances-Facilities expansion programs
4. Better economic stability

Measurement

1. Productivity (general) = $\text{Output} / \text{Input}$
2. Productivity of Labour = $\text{Output} / \text{No. of Man hours}$
3. Productivity of Machine = $\text{Output} / \text{No. of Machine Hours Worked}$
4. Productivity of Capital = $\text{Output} / \text{Net Capital}$
5. Productivity of Material = $\text{Output} / \text{Raw Material}$
(Wt, Vol, Number, Length)
6. Productivity of Land = $\text{Total Production} / \text{Area of land used}$

Factors that influence it

1. Technological
2. Quality of Work Force
3. Availability of Finance
4. Managerial Talent
5. Govt.Policy
6. Natural Factors