

## The Factory System

The factory system was a method of manufacturing adopted in England, when Industrial Revolution began from 1760 to 1830.

The Factory System was a method of manufacturing using machinery and division of labour. Because of high capital cost of machinery and factory buildings, factories were typically privately owned by wealthy individuals who employed the operative labour.

Richard Arkwright has been called the 'Father of Factory System'. Arkwright invented spinning machine that spun fibres into strong thread of any desired thickness. Machine was now powered by water power. As a result manufacture of clothes came out from homes to mills.

# Characteristics of Factory System

## 1) Large Scale production -

- Large scale production was done to meet the demand of large number of people.
- Production was done after the anticipation of demand.

## 2) Mechanization -

- Mechanization increased because of development in science and technology.
- New innovations increased the efficiency of the factories.

## 3) Automation -

- Installation of one set of machines to run another set of machines.
- A small number of operators sitting in control room controlled the entire operation of factory.
- It was introduced in production system of advanced countries like USA, UK etc.
- Automation was done in oil refineries, chemical industries & Food processing unit etc.

#### 4) Management Information System -

- Introduction of MIS was done with the help of electronic computer system.
- Computers can store large amount of data and can make it available, the required information within seconds.
- It helps in taking the managerial decisions at the proper time.

#### 5) Specialization -

- Division of labour was done on the basis of specialization
- It facilitated the workers to concentrate on limited operations.
- It increased the efficiency of workers.

#### 6) Standardization -

- It brought about uniformity of quality and size of products.
- It facilitated large scale production.
- It increase quality consciousness in industry.
- Today, ISO certification is an example of it.



### 7) Growth of Industrial Areas -

- Concentration of industries in certain regions of the country.
- Growth of Industrial Areas offers special advantages to the industrial units in regard to raw materials, power, financing, transporting etc.

### 8) Expansion of International Trade -

- Mass production, standardization of products, and improved means of transport & communication increased the volume of international trade among different countries.

### 9) Research & Development -

- Big industrial enterprises established "R&D department"
- Spent money for innovating new products and ideas.
- It helped in decreasing cost, increasing quality, consumer satisfaction and raising the standard of living.

## 10) Competition -

- Cut-Throat competition among producers of goods.
- Economic relation between different people are based on 'contract' rather than on customs and traditions.