

NEW CONCEPTS OF PRODUCTIVITY AND ITS IMPROVEMENT

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WHAT IS PRODUCTIVITY?

PRODUCTIVITY IS A MEASURE OF HOW WELL RESOURCES ARE USED IN THE PRODUCTION OF GOODS AND SERVICES TO MEET USERS' NEEDS AND REQUIREMENTS

$$\text{PRODUCTIVITY} = \frac{\text{OUTPUTS}}{\text{INPUTS}}$$

WHAT IS PRODUCTIVITY?

KNOW “WHAT”

KNOW “HOW”

BROADER CONCEPT OF PRODUCTIVITY

1. Productivity means efficiency and effectiveness
2. Process is equally important
3. Green productivity and sustainable development
4. Human factor is the key

EMERGING PRODUCTIVITY APPROACHES

- ❖ **Put output first**
 - **Focus on customer needs**
 - **Minimize negative impact on the environment**
 - **Enhance the experience and learning results**
 - **Enhance the social dimension**
- ❖ **Focus on broader waste reduction and over-all efficiency improvement**
 - **A more integrated programme approach**
 - **Focus on over-all organizational productivity**
- ❖ **Productivity and competitiveness through supply-chain management**
- ❖ **Focus on human resource management and development**

PRODUCTIVITY AND COMPETITIVENESS

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graph BT; EC(ECONOMIC CAPITAL) --> PC(PRODUCTIVITY AND COMPETITIVENESS); HC(HUMAN CAPITAL) --> PC; SC(SOCIAL CAPITAL) --> PC;
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ECONOMIC
CAPITAL

HUMAN
CAPITAL

SOCIAL
CAPITAL

PRINCIPLES OF PRODUCTIVITY MANAGEMENT (*Continued*)

Participation, consultation and involvement, partnership	Employee involvement
Communication and information sharing	Communicating productivity improvement and priorities Sharing of company performance measures and results
Enable the human resources/focus on people	<ul style="list-style-type: none"> • Continuous development of skills and competences • Work organization encourage/allows learning and creativity • Mechanisms for individual and group-based participation in improvement • Working condition and environment • Management style and practices • Share information
Monitoring and feedback	Productivity monitoring and measurement systems
Share productivity gains	<ul style="list-style-type: none"> • Financial • Non-financial

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WHAT IS PRODUCTIVITY?

The Metrics Challenge

- **What are the various units of observations?**
- **What productivity indicators?**
- **How to factor in the other aspects determining “customer value”?**
- **How to factor in the social and ecological dimensions?**