

* Productivity

Productivity consciousness has acquired worldwide momentum. Higher productivity is necessary for the survival of any nation. It stands for proper utilisation of available resources to achieve the best results with minimum cost. Improvement in productivity is the only answer to the problems in the industrial sphere and it is the only path to national prosperity. In India it assumes special significance owing to the resource gap. In order to overcome the hurdle of shortfall in resources, stepping up of productivity is a must.

During the last 40 years productivity measurement has emerged as a distinct and separate branch of study in management. A number of studies employing highly sophisticated mathematical and statistical techniques and tools of analysis have been conducted to measure productivity. Specialised agencies of the United Nations (UN) like the International Labour Organisation (ILO), affiliated agencies of regional organisation like European Association of National Productivity Centres (EANPC) of the Organisation for Economic Cooperation and Development (OECD) have been published comprehensive, detailed and elaborate manuals explaining the concepts, methodologies, data requirements etc. for the measurement of plant level and overall measurement of productivity of various factors and inputs. Regional, national and local productivity organisations / associations / agencies / councils were organised and established to stimulate productivity consciousness. In India the National Productivity Council (NPC) was established in 1958. The Asian Productivity Organisation (APO) with headquarters in Tokyo was established in 1961 and all countries who are members of APO established national and local productivity councils-centres / bureaus in their respective countries.

* Concepts of Productivity



Frederick W. Taylor in his "Task Study" said, "Human work Can be made infinitely more productive not by 'working harder' but by "working smarter".

- ▶ Productivity means the economic yield from:
- ▶ Each factor of production (land, labour, capital and organisation) Each input (raw materials, fuels, time and knowledge)
- ▶ An overall yield of the joint factors and resources enumerated above in combination.

Productivity denotes the efficiency with which the various inputs are converted into goods and services. However, it is a multi-faceted concept; no single definition can fully describe it. Technically, it signifies the ratio between the input and output. Productivity is said to be high when more output is derived from the same input, or the same output is obtained from a less input.

It is well understood as the ratio of output to input with respect to given resources.

When more is produced with the same expenditure of resources it may be termed as effectiveness; when the same amount is produced at less cost it may be termed as efficiency. The word productivity is broad enough to cover both.

It should be recognised that the long-term productivity improvements can be achieved by the human factor through positive and innovative attitudes. In this sense productivity is an attitude of mind' which is intolerant of waste of every kind and in any form.

Productivity does not refer merely to work systems but to the development of right attitudes and a strong concern for efficiency.

Efficiency, maximum output, economy, quality, elimination of waste and satisfaction of human beings through increased employment, income and better standard of living are some of the objectives of productivity movement in our country or for that purpose in any other country.

There are several concepts of productivity. Two of them are of relevance here, labour productivity and total factor productivity. Labour productivity is the ratio of the output produced by a firm, industry or nation to the number of worker-hours employed in producing this output.

Total factor productivity is the ratio of the output to the total input needed for its production, including not only worker-hours and capital, but also any other input that might be involved. This might be the investment made in human beings to raise the quality of labour or that made to improve productive knowledge through research and development, or by the introduction of organisational, managerial and social innovations.

Total factor productivity is clearly a more accurate indicator of the economic efficiency of a firm, industry or nation than labour productivity. However, mainly because of the difficulties involved in quantifying various intangible inputs to total factor productivity, labour productivity is far more widely used. It is important to bear in mind that labour productivity, is affected not only by capital input, but also by other factors, which affect the efficient use of both capital and hours of work. These other factors consist not only of investment for education, training,

research and development, but also of non quantifiable factors such as the labour relations climate and worker and management attitudes towards productive efficiency and competitiveness.

*** Productivity and Production**

The term productivity must not be confused with production. Productivity is a ratio while production relates to a volume. Increased production does not necessarily mean increase in productivity. If the input of resources goes up in direct proportion to the increase in output, the productivity will remain the same. And if input increases by a greater percentage than output, higher production will be achieved at the expense of a reduction in productivity.

*** International Perspective**

Table 51 shows labour productivity in select Asian countries in 1990. The per capita GDP of Japan was the highest with US \$ 28,875. Industrial harmony has played a decisive role in the miraculous economic development of Japan. A nation which was almost totally devastated in the last world war and which is almost devoid of important natural resources, with exception of water, is now dominating the world economy. The extent of Japan's prosperity will be clear from the following facts. The world's ten largest banks are now all Japanese banks. Japan is now financing nearly one third of the USA government's budget deficit. India's per capita GDP was US \$ 848 with an annual growth rate of 2.87 percent, which is lower than all other Asian countries except Bangladesh. It is a matter of serious concern. Though India is the third largest in the category of technically qualified persons in the world with Indians commanding premium in most countries the world over, it is not so in terms of the products they make or the services they render. Being at one time, the second most industrialised nation in Asia, India has now been relegated to the bottom of top ten.

*** Labour Productivity in Indian Economy**



Labour productivity in agriculture has gone up from Rs. 2,305 in 1950-51 to only Rs.3,157 in 1989-90. Labour productivity in agriculture was the lowest while the

mining, manufacturing and service sector seem to have registered significantly higher growth rate.

India has a paradox of having cheap labour with high labour cost due to low productivity levels. This offsets other cost effective measures. Some of the reasons for low productivity are: lower skill levels, obsolete technology, loss of man days on account of industrial unrest and absence of proper work culture.

*** Productivity Movement in India**

About the progress of productivity movement in India, BMS has two pertinent observations to make. Firstly it is its serious contention that the managements in both public and private sector have not yet taken up the productivity movement seriously. The top executives and senior officers have not yet given their whole hearted backing to ideas on productivity and the businessmen and politicians who own or control the industrial activity have almost no grounding in the subject. India has the third largest scientific community in the world. In spite of huge expenditure on Research and Development (R&D) in India, its impact on economic growth is negligible. It has not contributed either to an improvement in quality of product or reduction in cost and prices.

Secondly too much emphasis is given for labour productivity ignoring productivity of land and capital. The productivity of labour is a function that may be useful in distribution of wealth. But under the Indian conditions, the productivity of land and capital is most urgent since it can influence the growth of national income at maximum speed. Of these two again the productivity of capital is very crucial, since capital is very scarce in India.

*** Viewpoint of BMS on adoption of technologies/ automation / Computerisation**

The BMS again, was the first labour organisation, which brought home to the workers mind the fact that the problem of technology was of vital concern to them as well as to the country. It opposed the revival of the bullock-cart economy as well as wholesale transplantation of western technology.

BMS stands for the selective use of technologies/ automation / Computerisation. For instance, in all such spheres of defence activities, where computerisation makes a difference between victory or defeat and heavy loss, it is justified. Similarly computers will make land a more consistent and bountiful producer, by designing irrigation systems, speeding up crop forecasting, controlling the rotation, scheduling of planting and helping weather forecasting. BMS urges that such a selective and prudent use of computers will increase the national income and output and allow economy to give higher real wages to workers.

The World Bank's latest report evaluates India as one of the poor countries. More than 30 percent of Indian population remain below poverty line and number of unemployed in the country is swelling to perhaps unfathomable level. The applicants on live registers of Employment Exchanges were 36.29 million in January 1994. The number has gone up to 36.73 million in January 1995. Over 40 percent of the educated are unemployed in India. To the extent to which the employment opportunities are curtailed owing to the process of avoidable computerisation, the burden of supporting the army of unemployed increases. When we think in terms of the frustration of the unemployed younger generation of India, the price to pay for computerisation appears to be very heavy.

BMS emphasises that India has to adopt a technology which can provide employment to all those who are willing to be employed. Every country has to adopt such technique of production, as it would permit it to make the maximum use of its abundant factors and economise the use of scarce ones. India has an abundant supply of labour; hence it has to go in for labour intensive and low capital investment techniques wherever possible without loss of efficiency. The developed western countries with an acute shortage of labour and also high cost of labour can afford to go in for computerisation even in non-essential sectors, but India cannot.

*** Recommendations of BMS in introducing productivity Schemes**

In introducing all schemes relating to productivity, such as, system of payment by results, individual and group incentive schemes, norms of staffing and workload, changes in organisation and methods, rationalisation, mechanisation etc., the following considerations should be respected:

- i. All such schemes should be introduced as a result of agreement with concerned unions.
- ii. Each such scheme must provide for a minimum of a fallback wage, which has no relation to productivity.
- iii. Complete safeguards must be provided for protection against fatigue and undue speed up.
- iv. The management must carry out a continuous appraisal of factors affecting productivity, such as methods and work-study, continuous supply of good material, quality of tools, machine-breakdowns, lay-out, quality control, physical, perceptual and mental loads, environmental factors, such as, lighting, ventilation, temperature, noise, cleanliness etc. and share these studies with labour and make all revisions only on the basis of joint studies and agreement.
- v. All measurements of work should be done jointly and must provide for factors like needs of safety, rest and relaxation, interruptions, delays, etc. The same should apply to valuation of physical product where such valuation forms the basis of incentive payments.

The gains of productivity should be distributed between shareholders, workers, consumers and plough-back effect. The NPC has evolved a formula to allocate the gains of productivity between the shareholders and others. Shri V. M. Dandekar, Former Director, Gokhale School of Economics and Politics, Pune has amended the NPC formula to the effect that the plough back of 30 percent should be given to workers in the form of shares and make them co-owners. The two formulae stand as under:

Head of Allocation of Productivity Gains	NPC Formula	Dandekar's Formula
Reduction in price	20%	20%
To Labour	30%	30%
Plough back	30%	--
Plough back (shares to workers)	-	30%
To Shareholders	20%	20%

Both the formulae require further technical working such as mode of determining the gains of productivity and basis of allocation of gains to different categories. Labourisation in the form of employee share ownership will give a strong incentive to the workers to increase productivity.

*** Role of Trade Unions in the Productivity Improvement**

The trade unions should not look upon their role as one of permanent opposition to management. Ultimately, the interests of workers e.g., wages, welfare facilities and security of employment depend upon the prosperity of the nation and the firm. That which hampers productivity ultimately harms the workers themselves. Therefore, a strong trade union should presuppose an efficient and affluent firm. The trade unions should attach great importance to harmony, efficiency and order. The unions should be aware of the fact that ultimately the prosperity of India depends upon her productivity and her competitive position in the world market. Therefore, the unions should accept the need for smart work, higher productivity, pride in skill and high quality of goods.

The BMS has not ruled out employing the weapon of strike for securing the legitimate rights of the employees. However, in line with its basic concept of industrial family, it has always believed that this weapon should be used as the very last resort. BMS never encourages participation in any politically inspired strike. BMS also views that the trade unions will have to be specially careful that no agitation is ever planned which will result in work slow tactics, because it spoils the habits of discipline in a firm and ultimately it causes damage to productivity.

* Work Culture of BMS Workers



Work culture it is, when the crude work of subhuman level is refined in performance and ennobled in purpose. The 'how' and 'what for' of work determine the work culture of people. Thus the two aspects of work culture are efficiency in action and nobility of purpose. The crudeness on one hand and crookedness along with self-centeredness on the other hand will have to be overcome to be cultured at work. The former can be eliminated through training and practice and the latter through love and service. Then work is worship.

The concept of Rights Vs Duties requires to be analysed from Indian context. While the westerners clamour for rights, Indian culture insists that when all the sections of society perform their duties perfectly they also get their rights. For e.g. a mother does her duty towards her children, that is the right of the children. The children on their part pay their respects and help their mother. Their duty ensures (he rights of the mother. When a teacher discharges his duties properly, students get their rights fulfilled. Similarly, when the students behave, as they should the teachers get their rights fulfilled. An employer's duty protects the rights of the employees. The duty of the employees protects the rights of the employer. Thus concept of duties and rights is complementary to each other. Social unrest, exploitation and anarchy set in when people demand their rights and do not discharge their responsibilities. The concept of work culture in India must be viewed from this angle. If every one carries out the duties assigned to him in the most perfect manner, the society will be prosperous and peaceful.

* Improving Work Culture

BMS observes that "all patriotic forces wherever they be, in the Government, in bureaucracy, in top and middle management, supervisors, staff and workmen should bring about a responsible change in their work style which should be the broader objective of achieving excellence in production, quality, productivity, elimination of all sorts of wastes, bottlenecks in procedures and maintaining strict fiscal discipline and cordial relations. In any case, the workers should, if the situation demands, exhibit exemplary presence of mind and become model to other sections in improving the work culture in the interest of the industry and the nation". The BMS cadre and rank and file have risen to the new challenges in this regard.

In India, the relationship of labour and their union has degenerated into that of a patient and his physician. The workers would contact the union only as and when relief in any dispute was required. The longer the dispute continues, the longer would be the relationship. But the worker would forget the union as soon as his problem was over. The situation has come to such a pass that the period of protecting the workmen or winning new rights for them is over. It is exactly now the attention of the workers has to be drawn to the other side of the coin, not just to the rights but also to the responsibilities.

They have to be made aware not only about the interest of their union or family, but also of the society, industry and nation. With the winds of change, while the industry faces global competition from the giant multinationals, the difficult duty of awakening the workmen to the needs of productivity and quality must be discharged by the trade unions.

The trade unions should serve the national interest by following the precepts of 'Indiscipline be damned' and 'no clemency for inefficiency'. The labour has a right to be happy after his tears are wiped; but he should not become selfish or unruly. Even though it appears to be bitter at first the truth has to be told to the workers that not only their own good, but also the interest of the industry and the nation has to be given a prior importance. A medicine need not always be sweet; a dose of bitter pills may also be required for the health of the industry and the nation.

If the trade unions concentrate attention creating patriotic citizens and responsible workmen over and above being worried about their own strength and membership, they would be able to create an honest, efficient and proud society dedicated to the nation, removing the vices of corruption, dishonesty, inefficiency and selfishness. Then morality would enjoy the first rank in all walks of life, the trade union would become a parental home of the workers in real sense and such change will spread into all sectors of social life. The workman has the capacity of lifting the nation from its present morass if he is provided with proper and timely guidance.

*** Instances of Exemplary Work Ethics of BMS**

The BMS emphasises on achieving excellence in performance, quality, productivity, discipline and industrial harmony. Every activist of BMS strives his best to set himself as an ideal to other fellow workers, by his model behavior at work.