

Production Management



Scope of Production Management

- Proper Selection and Design
- Process Selection and Planning
- Capacity Planning
- Production Planning (a) Routing
(b) Scheduling
- Production Control
- Quality Control
- Inventory Control
- Work Study

- Maintenance and Replacement of Machines
- Other Functions
- Cost Reduction and Cost Control
- Technology Upgradation
- Motivating the Workforce
- Research and Development

Productivity =
Output / Input

TECHNIQUES OF PRODUCTIVITY

- Value Engineering
- Quality Circles
- PERT & CPM
- Monetary and Non – Monetary Incentive Plans
- Operations Research
- Training
- Job enrichment
- Materials Management
- Quality Control
- Job Evaluation
- Ergonomics
- Performance Appraisal

MEASURES TO INCREASE PRODUCTIVITY

- Measures related to Production Department
- Measures related to Finance Department
- Measures related to Human Resources Department
- Measures related to Marketing Department

Measures related to Production Department

- Production Planning and Control
- Machines and Equipments
- Plant Layout
- Research and Development
- Quality Control
- Quality Circles
- Location Factors

Measures related to Finance Department

- Obtaining **funds** from the right sources at lower cost.
- Proper management of **Fixed Capital**
- Proper management of **working Capital**
- Proper **Credit Management**
- **Good relations** with financial institutions and banks, etc.

Measures related to Human Resources Department

- Scientific **Recruitment and Selection** of employees.
- Proper **placement** of employees throughout the organization
- Provision of adequate **training** to the right people at the right time.
- Proper **performance appraisal** of all the employees.
- Proper **Promotion and transfer** policies
- Effective **compensation** policies including incentives
- Proper **working environment** – good working conditions, working hours, etc.

Measures related to Marketing Department

- Right design of **product** to satisfy customers.
- Right **Price**
- Effective **Promotion** – advertising, sales promotion, etc.
- Distribution at the right **Place**.
- Good **after-sales-service**
- Proper conduct of **Marketing Research**, etc.

IMPORTANCE OF HIGHER PRODUCTIVITY

- Higher Profitability
- Employees Welfare
- Returns to Shareholders
- Labour-Management Relations
- Customer Satisfaction
- Credit Rating
- Corporate Image
- Competitive Advantage
- Better Terms from Suppliers
- Optimum Use of Resources
- Less Employees Absenteeism and Turnover
- Team Work

QUALITY MANAGEMENT

As defined by John Bank : “Quality is fully satisfying agreed customer requirements at the lowest internal cost.”

Features of Quality Management (QM)

- Components of Quality Management:
 - Quality Planning
 - Quality Control
 - Quality Assurance
 - Quality Improvement
- Customer Oriented
- Continuous in Nature
- Commitment from Top Management

- All Pervasive
- Employees Involvement
- Process Approach
- Recognition and Rewards
- Synergic Team Work
- Techniques

TOTAL QAULITY MANAGEMENT (TQM)

TQM is a strategic approach to produce the best possible product and service through constant innovation and timely action.

FEATURES OF TQM

- Customer Focus
- Continuous Process
- Defect-free Approach
- Employees Involvement
- Recognition and Rewards
- Synergy in Team Work
- Techniques
- System Approach
- All Pervasive
- Current Status of TQM

Importance of TQM

- Customer Satisfaction
- Helps to Face Competition
- Goodwill
- Highly Motivated Personnel
- Lower Rejection Rate
- Reduction in Customer Complaints
- Better Facilities to Employees
- Expansion and Diversification