IV Tata Personnel Officers' Conference
27th September , 1961.

I

647

What is Productivity?

The Ratio between input and output

An economizing of means in relation to given ends

Producing more with less capital, less raw material, less physical effort and in less working hours

A measure of technological progress

Practically all of us can do in half the time what we are doing at the moment

Production unrelated to productivity is meaningless and irrelevant

Its Value and Importance

Competition for resources becoming so acute that productivity should be given highest priority in economic planning.

Shortage of capital not the only difficulty

Quality and skill of manpower even more important

In order to earn higher wages there must be higher labour productivity for without a larger cake no larger slices.

N.I.T.'s fundamental criticism — 1) Man shaping in isolation 2) Inflation

Why is it that Japanese worker can attend to six times the number of looms Indian worker attends to?

4 IT + [illegible]

On the other hand several industrial workers in India operating machines process as many units an hour or day as counterparts abroad.

In country of low productivity even a productive person finds himself poor e.g. doctor or dentist or barber [illegible] or artist in India because patients cannot afford to pay.

Low productivity result of host of historical and other factors e.g. level of education, of invention and innovation, of capital investment, of managerial and technical development.

Productivity in India particularly low in distribution and retailing.

Productivity is a problem and an opportunity for all

Productivity is everybody's business.

IV

Man and Machine

Debate on relationship not a new one

Goes centuries back

19th century - machine smashing
including the sewing machine (mother's good friend according to Gandhi) by tailors in France

Does mechanisation lead to unemployment?

On the contrary

In the U.S.A. number of jobs goes up from 18 to 60 million in 60 years. Between 1939 and 1953 employment in manufacturing industries up by 75% because of mechanisation.

When horse and carriage replaced by automobiles, a million jobs were replaced by six and a half million jobs

It is absence of rationalisation that often leads to men being thrown out because of inability to compete in the market. (Quote from International Planning Team of Ford Foundation - pages 8 and 9 of Chairman's Address at the 47th Annual General Meeting of Tisco.)

There is however a need for enlightened management policies - in retrenchment, training, and generous compensation

Indian Trade Union point of view not very enlightened

IV

Angle of Consumer

Consumer benefits either from reduction in prices or stable prices

Sharing gains of productivity

- Workers - higher returns, shorter hours, etc
- Investors - increased returns and opportunity for expansion
- Consumer - lowering prices, increase in variety and quality of goods
- Community - increased yields from taxation, saving for development projects and welfare measures.

Agree with N.H. Tried to stop Committee being appd!

No share in the gain can be larger than the gain itself.

Can any formula be evolved for sharing gains ? NO

Sharing to be by collective bargaining and Laws of Market

Role of Government to help development of productivity

Government should act as leader and pace setter e.g. in State Enterprises

Positive programme for providing incentive for higher productivity e.g. tax relief, financial assistance , generation of climate, encouragement to joint consultation, workers' education, provision of statistical data