

PRODUCTION MANAGEMENT

INTRODUCTION

- It is defined as **planning , implementation and control** of industrial production process to ensure smooth and efficient operation. production management techniques are used in both **manufacturing and service industries.**
- Simply, production management is a process of **planning, organizing, directing and controlling** the activities of the production function.

Production Management

Operation Management

1. It's concerned with manufacturing

2. Out put is tangible

3. Job use less labour and more equipment

4. There is no customer participation

1. It is concerned with services

2. Output is intangible


3. Job use more labour and less equipment

4. Frequent customer participation

HISTORY

- For over **2** centuries operations and production management has been recognised as an important factor in a **country's economic growth**.
- The traditional **view** of manufacturing management began in **18th** century when **Adam Smith** recognised the **economic benefits of specialisation of labour**. He recommended breaking of jobs down into **subtasks** and recognises workers to **specialised tasks** in which they would become highly skilled and efficient.

- In the early **20th** century, **F.W. Taylor** developed **scientific management**.
- From then **till 1930**, many techniques were developed prevailing the traditional view.
- **Production management** becomes the acceptable term from **1930s to 1950s**. As F.W. Taylor's works become more widely known, **managers developed** techniques that focussed on **economic efficiency** in manufacturing.

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- **Workers** were studied in great detail to eliminate wasteful efforts and achieve greater efficiency. At the same time, psychologists, socialists and other social scientists began to **study people and human behaviour in the working environment.**
 - In addition, economists, mathematicians, and computer socialists contributed more sophisticated analytical **newer approaches.**

- With the **1970S** emerges **2** distinct changes in our views.
- The most obvious of these reflected in the new name **operations management** was a shift in the **service & manufacturing** sectors of the economy.
- As service sector became more prominent, the change from **'production'** to **'operations'** emphasized the broadening of our field to service organizations.
- The second, more suitable change was the beginning of an emphasis **on synthesis**, rather than **just analysis**, in management practices.

CONCEPT OF PRODUCTION

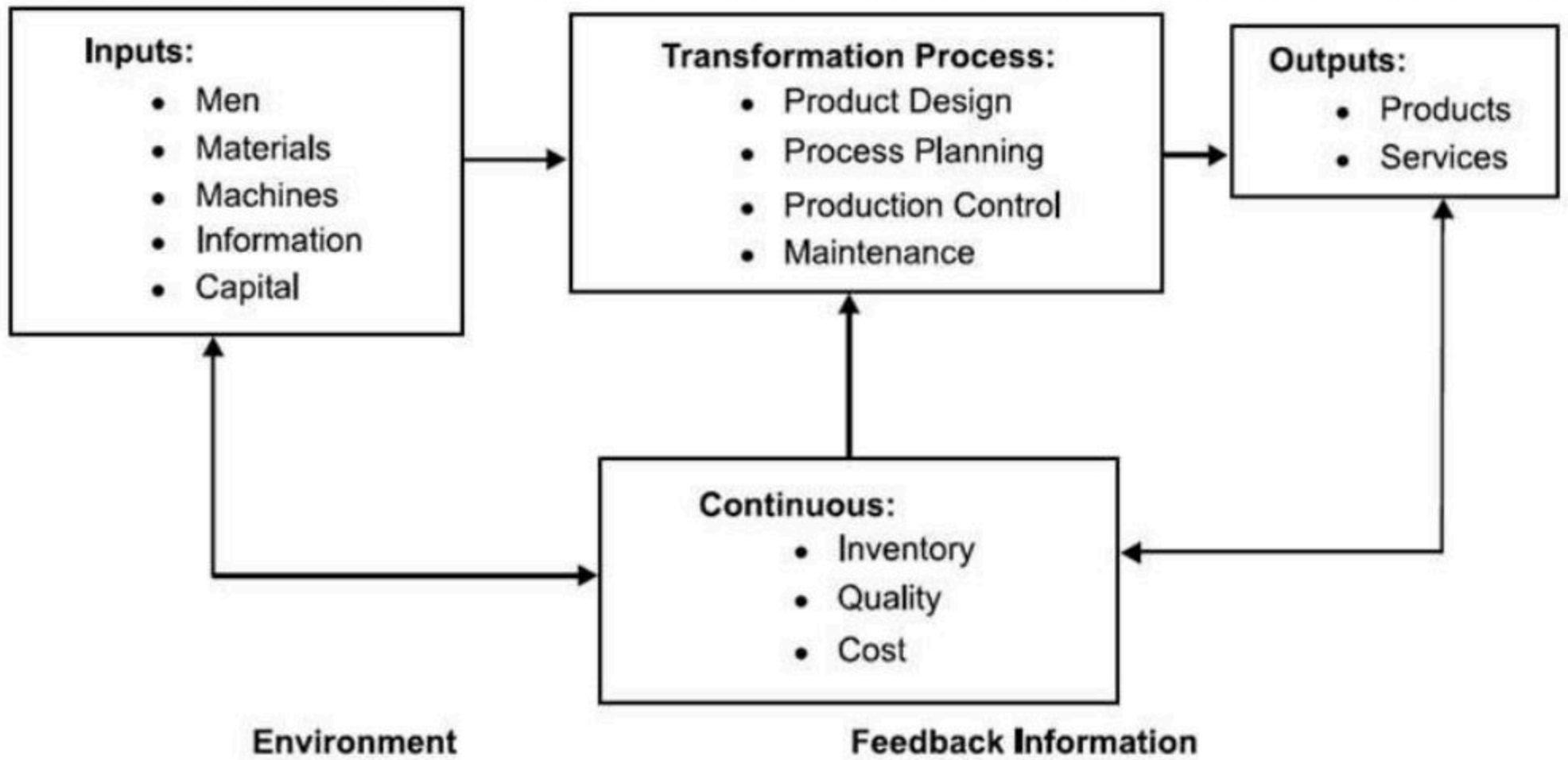
- Production is defined as “*the step-by-step conversion of one form of material into another form through chemical or mechanical process to create or enhance the utility of the product to the user.*”
- Thus production is a **value addition process**. At each stage of processing, there will be value addition.
- Edwood Buffa defines production as ‘*a process by which goods and services are created*’.

Example For Production

- **Manufacturing custom-made products**
Like-
 1. Boilers with a specific capacity
 2. Constructing flats
 3. Structural fabrication works for selected customers, etc.
- **manufacturing standardized products**
Like-
 1. Car
 2. Bus
 3. Motor cycle
 4. Television, etc.

PRODUCTION SYSTEM

- The production system of an organization is that part, which **produces products** of an organization.
- It is that activity whereby **Resources**, flowing within a defined system, are **combined & transformed** in a controlled manner **to add value** in accordance with **the policies communicated by management**.



Schematic production system