

## Productivity

The word "productivity" relates to the "output" (of goods and services produced) in relation to the quantity of resources or inputs used to produce them. Some examples of input are labor, materials, machinery, and energy. Productivity is basically concerned with how efficiently goods and services are produced and the value created by the production process. In other words, if a product is made at the lowest possible cost with high quality and can be sold competitively on the market at a good price, then its productivity level is considered high.

The productivity concept is often expressed with this simple equation:

$$\text{Productivity} = \text{Output/Input}$$

Productivity can also be defined as the sum of efficiency and effectiveness:

$$\text{Productivity} = \text{Efficiency} + \text{Effectiveness}$$

However, productivity has many different facets. Productivity is, above all, an attitude of mind. It seeks continually improvement of what already exists based on the belief that we can do things better today than yesterday and better tomorrow than today.

There are many different terms, abbreviations, and acronyms in use for productivity concepts, tools, techniques, and practices. This p-Glossary explains the terminology in simple language. Please click the topics to view the definitions or to print.