



## IDENTIFYING COMMON CAUSES OF LOW PRODUCTIVITY

To identify the underlying causes of productivity problems it helps to look at some common indicators and causes. Assessing these areas first will eliminate frequent problem areas and help you focus on any specific issues that may be affecting your overall productivity.

### Indicators and causes

Many indicators and causes of low productivity are obvious but often overlooked or disregarded because of more urgent concerns. Some factories consider these indicators as normal conditions due to a lack of knowledge of ideal conditions. The table below presents some indicators of low productivity and probable causes.

Indicators	Probable causes
Idle workers	<ul style="list-style-type: none"> <li>• Poor production planning and control due to lack of training</li> <li>• Lack of raw materials due to late delivery or purchasing mistakes</li> <li>• Machine problems due to poor maintenance</li> <li>• Inadequate number of tools/equipment due to lack of planning or poor maintenance</li> <li>• Too many workers due to poor production planning and scheduling</li> </ul>
Idle machinery	<ul style="list-style-type: none"> <li>• Poor production scheduling</li> <li>• Poor maintenance</li> <li>• Stopped production of a particular product due to low market demand</li> </ul>
High volume of rejects and rework	<ul style="list-style-type: none"> <li>• Poor working conditions</li> <li>• Unsuitable production process</li> <li>• Poor maintenance of machines/wrong machine settings</li> <li>• Lack of knowledge or skill of workers due to lack of training/quality procedures</li> <li>• No quality control system due to lack of quality personnel and testing mechanisms</li> <li>• Improper handling and storage of raw materials, materials in process and finished materials</li> <li>• No data to monitor and control quality</li> <li>• Lack of concern and commitment to quality from top management</li> </ul>
High volume of material wastes and spoilage	<ul style="list-style-type: none"> <li>• Poor quality of raw materials due to lack of quality control, inspection and/or unreliable/limited suppliers</li> <li>• Over purchased raw materials due to poor production planning</li> </ul>



Indicators	Probable causes
Unmotivated workers, slow pace of work	<ul style="list-style-type: none"> <li>• Low morale due to unsatisfactory worker/manager relations</li> <li>• Poor working conditions</li> <li>• Low salaries and wages</li> <li>• Lack of teamwork among workers</li> <li>• Abusive supervisors</li> <li>• Difficult work procedures due to lack of tools or machines</li> </ul>
Late deliveries	<ul style="list-style-type: none"> <li>• Poor production planning</li> <li>• Machine breakdown due to poor maintenance or improper operation</li> <li>• Low worker output due to absenteeism, lateness, lack of skills or motivation</li> <li>• Lack of recording system</li> <li>• Lack of delivery trucks/vans</li> <li>• Poor inventory control</li> <li>• Unsystematic stacking system</li> </ul>
High in-process inventory	<ul style="list-style-type: none"> <li>• Poor production planning and scheduling</li> <li>• Imbalance in machine capacity resulting in bottlenecks in production process</li> <li>• Excess purchasing of perishable raw materials due to poor planning</li> <li>• Rush orders of some products</li> <li>• Lack of other material inputs due to unavailability of supply due to poor inventory planning</li> </ul>
Low worker output	<ul style="list-style-type: none"> <li>• Inadequate skills due to lack of training</li> <li>• Lack of knowledge of production procedures</li> <li>• Poor workspace layout requiring unnecessary actions</li> <li>• Poor working conditions</li> <li>• Inappropriate working tables and chairs</li> <li>• Lack of motivation due to poor worker/manager relations</li> <li>• Machine breakdown due to lack of maintenance</li> </ul>

Reference: *Productivity Management Guide for SMEs, Volume 1*, p. 25-28, Marilou M. Calzado, ILO 2003