Production and operations management mainly focus on the effective management and use of organizational resources that are needed for producing goods and services. In this regard, production management pertains to the management of those activities that are carried out while producing goods. Operations management, on the other hand, is actually a step further than productions management as it pertains to the administration of business operations carried out during the production of goods and services. Production management may be considered as a subset of operations management. The definition of the two terms is discussed below, followed by the differences between them.

Production management

Production management is the field in which the principles of management are applied to the production function. It involves different tasks, such as planning, supervision, scheduling and regulating the activities related to the production of products. In other words, it is the efficient use of resources to convert raw materials into value-added products.

Operations management

Operations management involves managing the routine business activities so as to make sure that the organization is able to operate in a smooth and effective manner. It includes the planning, designing and supervising activities carried out while developing goods and services of an organization. Its objective is to ensure that there is optimal use of resources in an organization, so as to decrease wastage during and following the production process.

Defining Productivity

In control management productivity is defined as the overall efficiency and output of a given operational system.

Productivity is defined as a total output per one unit of a total input. In control management, productivity is a measure of how efficiently a process runs and how effectively it uses resources.

At the plant level, common input statistics are monetary units, weights or volumes of raw or semi-finished materials, kilowatt hours of power, and worker hours.

Output is simply the rate of which goods are being produced and readied for sale. Managing production levels is part of the control process.

Productivity growth is important to a business because it controls the real income means needed to meet obligations to customers, suppliers, workers, shareholders, and governments (taxes and regulation).