

Letter with a salutation

Business



Dear Ms. Doe, Regarding your request for me to describe an economic concept, I chose to describe the concept of productivity. First, I would like to define the concept. In relation to economics, productivity refers to the amount of output associated with every unit of input. Productivity is an economic concept that can be used to measure the economic health of an organisation or a country. An increase in productivity enhances higher standards of living. If productivity stagnates, standards of living also stagnate.

In an organisation like yours, productivity can be measured in terms of labour productivity. This entails the amount of output per worker or output per an hour worked (Jorgenson 56). If labour fails to achieve its desired object, then it is considered as unproductive. Productivity can also be defined in terms of total factor productivity which measures output in terms of the contribution of all other factors of production except labour and capital. Productivity can be determined by the level of managerial skill, innovation and teamwork within an organisation.

Productivity increases with the increase in the level of managerial skills, innovation, technology and teamwork. Labour and human capital utilizes other factors of production such as physical capital, technology and land to increase the productivity of an organisation. The productivity of an organisation can therefore be measured in terms of the overall performance of the organisation in utilising its resources.

The concept of productivity has been used in economics for a long time. It came from the Medieval Latin word Productivus which means product.

Therefore, the term has been common ever since the medieval era.

However, it became measurable and applicable in organisations during

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industrial revolution. The concept is still used to determine the profitability of organisations and economic growth of countries.

A productive company follows specific processes of production in order to transform an input of less value into an output of greater value. For instance, in the production of clothes raw cotton is transformed in textile industries into clothes through manufacturing process. Similarly, wheat grains are transformed in a bakery into bread. These are all production processes.

Productivity in these cases refers to the amount of output which results from a single unit of input, e. g. the number of clothes produced by a single unit of cotton.

When I start working for your organisation productivity will be an important aspect of my contribution as I think about economic problems in your organisation. One of the main problems that I am sure we will face in your organisation is limited resources. I will introduce my useful skills and knowledge developed from my economics class to manage and utilise resources efficiently so that we can maximise productivity and minimise costs.

In other words, I will ensure that we use a small amount of inputs to produce a large amount of output. This will minimise the costs of inputs and maximise productivity. Through this process, I will also be able to reduce expenses in the company while increasing revenue; hence the primary objective of profitability in your organisation will be achieved.

Best Regards,

Author

Works cited

Jorgenson, Dale W. Productivity. Cambridge: MIT Press. 1995. Print.

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