

Why service jobs have lower productivity than manufacturing jobs essays examples

[Business](#), [Industries](#)



Why service Jobs have lower Productivity than manufacturing Jobs

Manufacturing and Service jobs

The best way to understand why manufacturing jobs have higher productivity than service jobs is by first looking what these jobs entail.

Manufacturing jobs involve making things and apply commonly to industrial production, which involves transformation of raw materials into finished goods. It involves activities such as electronics and engineering jobs, craft work and food processing. Service jobs, on the other hand, involve performing intangible tasks for a business or a person. It consists of activities such as administrative and support services, rental and leasing services, messenger services, technical and scientific services, and health care and social assistance. Scientists consider manufacturing as a wealth producing sector in the economy, and services as a wealth consuming sector (Friedman & David, 2006).

Why is Manufacturing jobs higher in Productivity than Service jobs?

There has been a significant shift in the economy of many countries particularly the developed ones from manufacturing jobs to service jobs. For example, in 1950, 63% of jobs in the US were in services while 30% were in manufacturing. In 2011, 86% of the total employment remained in services, 9% in manufacturing (Robison, 2011). However, studies show that the manufacturing industries remaining in the US today have a significant improvement in productivity. Over time, different things are manufactured

with less and less labor, not to mention that others are increasingly manufactured somewhere else. In addition, less-skilled work continues to leave the state, but high-skilled and more productive work remains. Classical economists state that productivity is the key in determining relative wages. The more productive a laborer is, the more his wages. Although service jobs have limits in terms of productivity, how comes that workers in service sectors remain competitive in terms of wages with workers in manufacturing? Paying wages comparable to manufacturing industries is the only way that service industries can get the workers they need.

Operational Productivity

The aim of most organizations is to deliver their products and services using the most cost-effective ways possible while still maintaining their high quality-services and products. To better explain this concept, consider an example. If there is a constant charge impose per trade (like \$100 per trade), and you are a big investor who trades about 20, 000 shares, this charge cannot limit your productivity. However, if you are a small investor who trades about 20 shares, this charge would make your trading extremely inefficient. Looking for ways to reduce internal costs is the only way a company can be more successful in competitive markets.

References

- Friedman & David (2006). No Light at the End of the Tunnel. Los Angeles Times. New America Foundation. Retrieved 2007, May 12.
- Robison, H. (2011, March 03) Why We Can't Shun Manufacturing for the

Service Sector. Retrieved from www.newgeography.com/002128-why-we-can't-shun-manufacturing