

# The Relationship Between Performance Measures and Overall Performance in the Manufacturing Environment

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## INTRODUCTION

Globalization and liberalization of today's markets economy have posed new challenges to all manufacturing organizations to examine and improve their capabilities. Performance measurement systems are expressed as the overall set of factor used to quantify both the efficiency and accomplishment of the act. Performance evaluation and enhancement is a challenge for small scale manufacturing organizations in the competitive globalized world. Performance measurement represents the effectiveness and progress of activities involved in a manufacturing system. Performance measurement ameliorates the flow of information which avails in enhancing market position of the organization and may likewise fetch new customer (Li et al., 2006). Performance measurement helps in identifying both frail and solid key territory of the system and transmute should be possible in like manner. The overall performance of a manufacturing organization can be enhanced by thoroughly examine and monitor the activities of all departments such as production, inventory, maintenance, etc. involved in the manufacturing system (Gomes et al., 2006). The block diagram of manufacturing system is shown in Figure 1.

## Important Performance Measures in Manufacturing System

The output of manufacturing system can be characterized by the final product, reputation and profit etc. The activities involved in the manufacturing system should have an influence on output and performance of the system. Researchers have explored the various factors influencing the performance measure of manufacturing system. The performance measures of manufacturing system are linked to the overall performance of the system. The flow chart of present work is shown in Figure 2. In the present work, only four performance measures are selected by brainstorming and expert's opinion while keeping in view the setup of small scale agricultural equipment manufacturing organizations.

## Delivery Performance

Delivery performance is characterized as a height up to which customer demands are fulfilled by the organization within the expected time period. The continuous change in the operational environment, inventory level of raw material must be taken into account and the functional areas such as marketing and operation are having a significant effect on time delivery performance (Nakandala et al., 2013; Marques

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Figure 1.

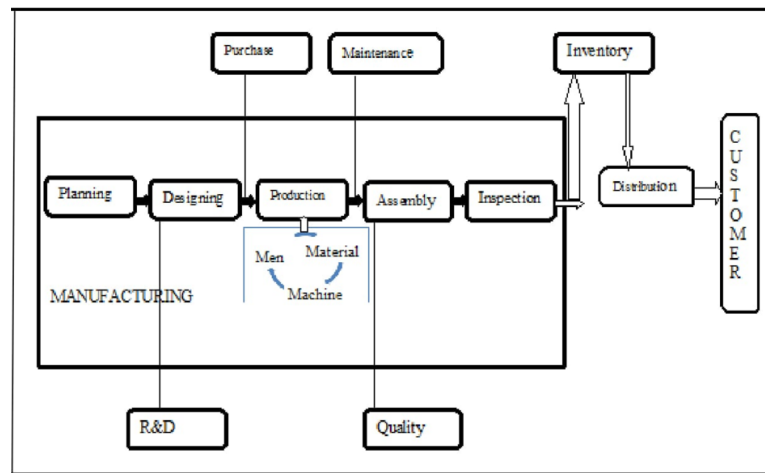
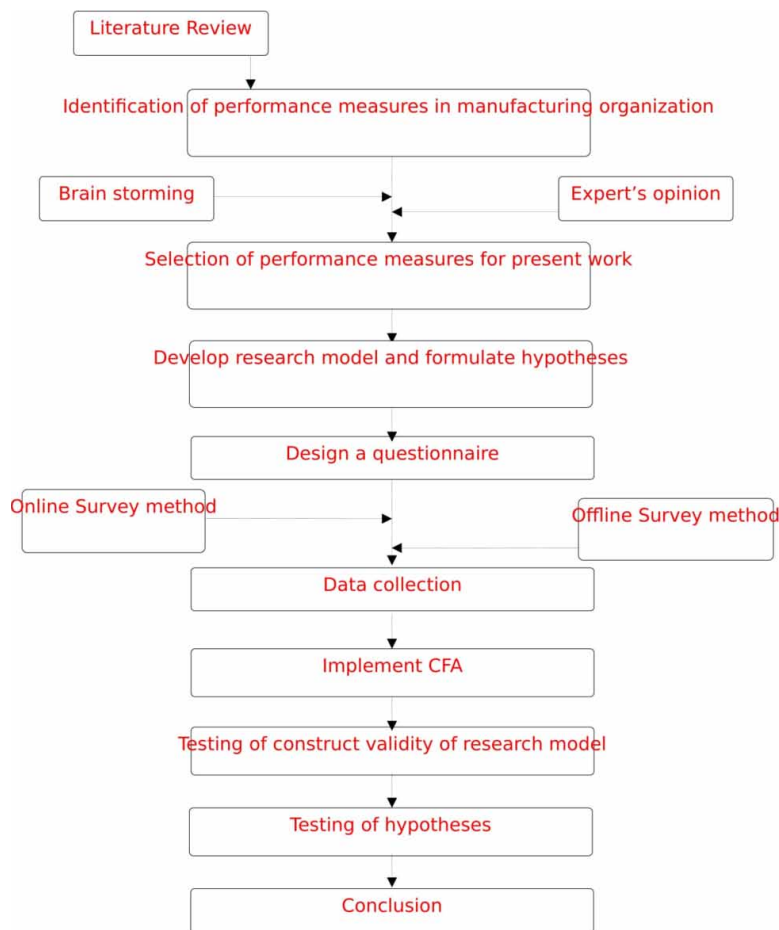


Figure 2.



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