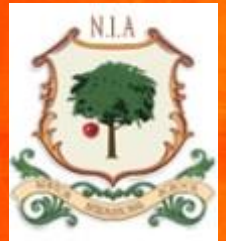




Chapter 13

SdP

The Division of Labour



Learning Objectives

To know and understand the importance of:

- Labour
- Specialisation
- Division of labour





Working Population:

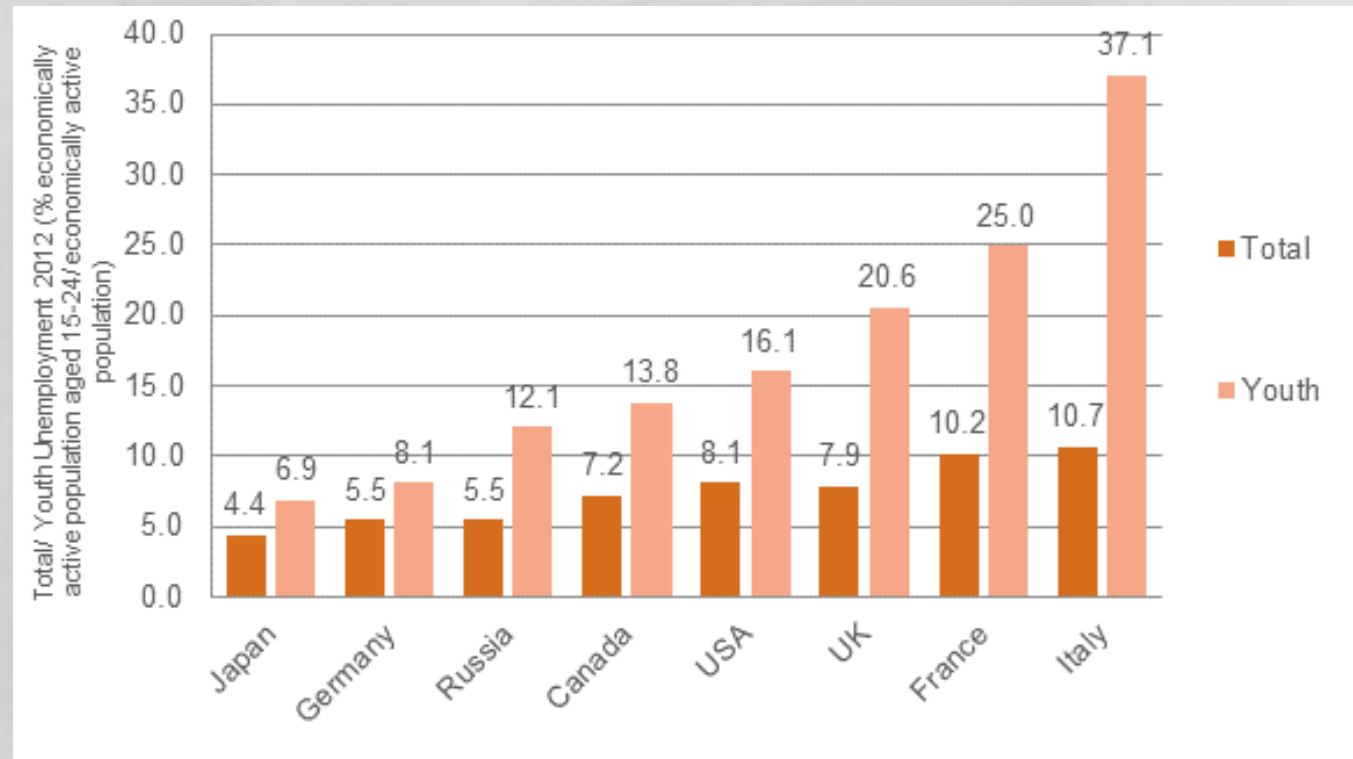
People available for work in a country.

It's the most difficult resource to manage.

Globally, the supply of labour is increasing.

It is an expensive resource.

Unemployment rates among the G8 nations



In many countries there appears to be an abundance of labour. Evidence of this is given by the levels of unemployment recorded in a country.

In all of the eight leading economies in the world, part of the working population cannot find a job. However, in some cases there may be jobs available but the people without work do not have the skills required to do them.



2 Specialisation

Specialisation is where workers, firms, areas or countries concentrate on producing a particular product or service.

Specialisation allows countries to produce those goods or services in which they have a **natural** or **acquired advantage**.

UK: medicine, financial services

Caribbean countries: Sugar

Question:



Which is your
country's
specialisation?



Homework

Getting Started

Page 52, Text Book

Getting Started

Page 52, Text Book

Getting started:

- (a) The three workers for Dublin Construction Company are all specialists. They all focus on one particular job for the company. Brendan is a bricklayer, Mary is an electrician and Ahab is a plumber. Each of them possesses specialist skills which are needed to do their jobs. These have taken time to develop.
- (b) Dublin Construction Company will benefit from employing specialists. This is because the quality of work is likely to be better. Specialist workers are usually better trained and more experienced in the specific tasks they undertake. This means the company can operate more efficiently and offer customers a higher level of workmanship.




DIVISION OF LABOUR

Worker focus on one specific work task

In many businesses the production process is broken down into small parts and each worker is allocated a specific task.

People concentrate on the task or skill at which they are best.





ACTIVITY

SHOULD WE TRY SOME
DIVISION OF LABOUR? 😊

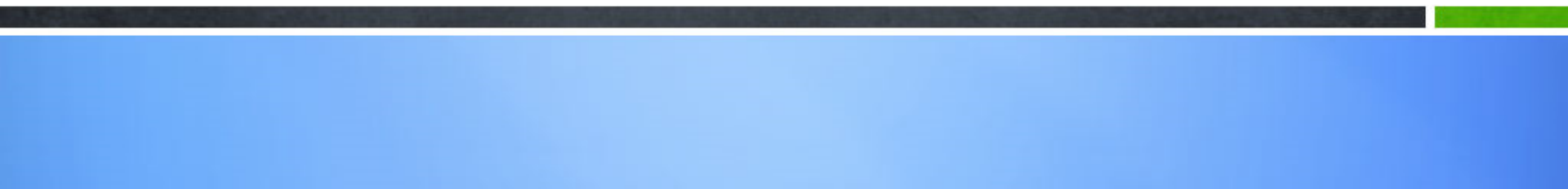


Homework



Question 1

Page 54, Text Book



Question 1

Page 54, Text Book

Question 1:

- (a) Valencia is the only region in Figure 2 that produces toys.
- (b) The Rioja region specialises in the production of food and wine. This means that most people in the area will be farmers or wine producers. People may be employed as labourers on farms or in vineyards. A minority are likely to be specialists, such as tractor drivers or tasters and carry out some specialised tasks for farm owners and winemakers.
- (c) The main reason why the Rioja region only specialises in the production of food and wine is because the resources there, land in particular, are favourable for such production. The soil type and climate may be very suitable for growing crops and producing wine. Another reason may be that the region is not able to produce anything else. It may be starved of the necessary resources, to produce cars, for example.

Division of labour and the worker



ADVANTAGES

Allows the worker to become more efficient in that field;

Workers with well practised skills will be able to find employment;

More highly skilled they are the more they are likely to get paid;

Workers can also learn new skills and enhance their existing ones;

Workers may enjoy more job satisfaction if they are highly skilled in a specialist task.

Division of labour and the worker



DISADVANTAGES

Work become boring because is repetitive (little skills);

May lead to job dissatisfaction and affect motivation;

Risk of unemployment.

Division of labour and the firm



ADVANTAGES

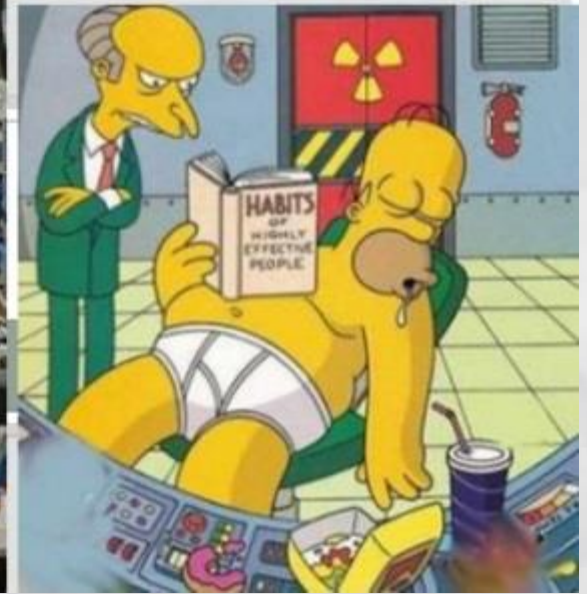
Efficiency is improved because workers can perform tasks more quickly and more accurately;

A greater use of specialist, tools, machinery and equipment is possible when workers specialise;

Production time is reduced because workers do not have to waste time moving from one task to another;

The organisation of production becomes easier because specialist workers can fit more easily into a structures system of production such as a production line.

Division of labour and the firm



DISADVANTAGES

Tasks are too repetitive and boring, people become dissatisfied and poorly motivated. This will reduce productivity and have impact on profitability;

Problems can occur if one stage of production depends on another stage (interdependence);

Specialisation may result in a loss of flexibility in the workplace (e.g.: when a specialist worker is absent and there is no one else with those skills).



Pause for an exercise

AF Devereux

Economics in practice, Page 56, Text Book

AF Devereux

Economics in practice, Page 56, Text Book

Economics in practice – AF Devereux:

- (a) Most firms specialise in the production of a narrow range of products and AF Devereux is no exception. AF Devereux is a boat maker and produces one distinct style of boat – catamarans. It is therefore a very specialised producer.
- (b) Like all highly specialist firms, AF Devereux is vulnerable to a fall in demand. If there is a significant fall in demand for catamarans, AF Devereux might struggle to survive. The company may have struggled, for example, after 2008, during the global recession. Demand for luxury items like catamarans is likely to be affected.

- (c) In many businesses the production process is broken down into small parts and each worker is allocated a specific task. This is called the division of labour. It allows people to concentrate on the task or skill at which they are best. The division of labour is evident at AF Devereux. Four production workers are employed in each production area. For example, a worker entering the moulding department received two years training and then remained in that particular area. They became specialists in that area of production. There was also a division of labour in the office. A specialist marketing manager was employed and a specialist designer.
- (d) Two disadvantages of AF Devereux's employees specialising are:
- Boredom
 - Over-specialisation if made redundant, i.e. they may not be able to find a new job if their skills are no longer required.
- (e) B is the correct answer. Boredom is likely to be the result of repeating tasks over and over again.

- (f) One of the main advantages to AF Devereux of the division of labour is that workers can perform tasks quickly and accurately. There are fewer mistakes and productivity will rise. There may be a greater use of specialist tools, machinery and equipment when workers specialise. Production time is reduced because workers do not have to waste time moving from one task to another. This often involves moving around the workplace collecting tools, changing workstations and resetting machinery. Specialists are likely to remain at the same workstation repeating their task without the need to move around. This is certainly the case at Devereux in the Trimming department.

However, there are disadvantages to the division of labour. One problem is that if tasks are too repetitive and boring people become dissatisfied and poorly motivated. This might result in poor quality work, poor punctuality, increased absenteeism and high staff turnover. Problems can also occur if one stage of production depends on another stage. If one stage breaks down all other stages may also have to be halted. Specialisation may result in a loss of flexibility in the workplace. For example, if a moulding worker is absent, and there is no-one else with those skills, production may be disrupted.

To conclude, AF Devereux must be happy with the level of specialisation because there is no information in the case which suggests otherwise. They must be happy with high levels of specialisation because there are no plans to increase flexibility.