

Topic**Specialization and Division of Labor****Entry Event****The Box Game**

Duplicate the following materials:

- Instructions for Paper Box Construction found on page E-11—one copy per group
- Paper Box found on page E-12—30 copies per group

Obtain scissors and rolls of tape for each group.

Divide the class into four teams. Tell all teams that they responsible for producing as many paper boxes as possible in 10 minutes, and that you will time them for two separate rounds of paper-box construction. For round 1, explain that each member of the group has to make her/his own paper boxes. They cannot receive assistance from another person in the group.

Give each team its materials.

Start round 1, and monitor and time production. At the end of 10 minutes, ask students to identify how many boxes they produced.

For round 2, explain that the members of each group have to work together to construct the paper boxes. Start round 2, and monitor and time production. At the end of 10 minutes, ask the groups to tell how many boxes they produced.

Conduct a debriefing session, asking the following questions:

- Why did the number of boxes produced during the second round increase?
- What are the implications for a business?
- Would you say paper-box construction was more challenging during round 1 or round 2? Why?
- What are the implications for business?
- As a business owner, what could you do to enhance employees' jobs?

Key Points**Define specialization.**

The process of making the best use of resources in the production of goods and services

We specialize in the production of certain goods and services and exchange them for other goods and services.

If you decided to produce all the goods and services you needed, rather than producing some and trading for others, you would have less time to devote to the production of any one item, resulting in production of fewer items than if you'd specialized.

Explain how resources are involved in specialization.

Natural resources: We locate businesses where they can be the most successful (e.g., ski lodge in the mountains close to the slopes, orange groves in states with warm climates).

Capital goods: Specialized capital goods contribute to increased production (e.g., use of robots on assembly lines).

Human resources: This occurs when people use their different skills and abilities in jobs for which they are best suited. People should do what they do best so that the most goods and services can be produced.

Discuss main forms of specialization of human resources.

Specialization by trade or profession: This is the type of work you perform to earn a living (e.g., teachers, farmers, doctors, plumbers, artists, etc.).

Specialization by stage of production: This form occurs when more than one state of production is needed to change a raw material into a finished product.

Specialization by task: This form occurs when jobs are so specialized by a worker does only one small part of the total job (e.g., in a textile mill, one worker cleans wool, another spins it into yarn, another dyes the yarn, and another weaves it into a woolen fabric). This type of specialization is also known as division of labor.

Explain the scope of jobs.

Defined as the number of different operations you do on the job and the frequency with which you do them

The lower your task level, the lower the scope of the job

Example:

Low scope: The job is to put doors on cars on an assembly line.

Higher scope: The job is to put doors on cars, put seats in cars, and check the steering mechanism.

Describe the depth of jobs.

Defined as the amount of control you have over the tasks that you do

Example:

Low depth: There are strict guidelines you must follow, and you make very few decisions.

High depth: You follow general guidelines and set your own pace.

Discuss how the scope and depth of jobs can change with a specific task.

Example: How a manager's scope and depth can change during one day.

The manager chooses advertising design and layout scheme for an upcoming promotion (high depth, high scope)

The manager makes out the weekly work schedule for employees (high depth, low scope)

The manager signs employee time cards (low depth, low scope)

The manager evaluates employee performance according to the owner's standards (low depth, high scope)

The scope and depth of certain jobs within a company can change more than that of another employee in the same company.

Identify advantages to specialization.

- Simplified worker training
- Increased employee interest and satisfaction
- Increased production rates
- Increased level of skill
- Increased quality of work
- Ease of transferring to a similar job

Identify disadvantages associated with specialization.

- Increased interdependency
- Increased boredom on the job
- Decreased pride in work
- Decreased morale and enthusiasm for the job
- Increased chance of obsolescence because of technological advances
- High degree of specialization may cause difficulty transferring or obtaining another job

Explain ways that businesses combat the disadvantages associated with specialization.

Job enlargement: Management may combine job tasks to restore wholeness (e.g., instead of limiting salespeople strictly to selling merchandise, their jobs may be enlarged to help with displays, restocking merchandise, etc.).

Job rotation: Managers may also rotate employees periodically so that they learn new job tasks and see how their old tasks relate to the new tasks.

Job enrichment: Managers add interest to a task to increase a job's depth, allowing workers to make more decision, set their own pace, and supervise others.

Job satisfaction: Managers may ask for and use employee suggestions; allow flexible or alternative work schedules; praise work well done; and provide cash incentives, contests, and bonuses.