Specialization and Division of Labor
Adam Smith, “The Wealth of Nations”

- Workers who specialize on one job become much better at doing it;
- The time that it would take to switch between jobs is eliminated;
- Workers who specialize on one job often invent more effective ways or new machines for doing the job.

“Division of labour has caused a greater increase in production than any other factor.”
Division of Labor

- Breaking a complex procedure into small tasks, enabling workers to increase output through specialization.
- Workers gain expertise in assigned tasks.
  - Become more productive
- May lead to mechanization - or the use of machines to replace human workers.
Division of Labor

Football Production

1. Fold a piece of paper, hot dog style
2. Tear the paper in half
3. Fold each half lengthwise, hot dog style
4. Fold each half in a flag fold
5. With one fold remaining to the top, fold the top tab back on itself to mirror the shape
6. Tuck the top half into the flap on the bottom triangle
7. Apply a logo to each side
Division of Labor

- Breaking a complex procedure into small tasks, enabling workers to increase output through specialization.
- Workers gain expertise in assigned tasks.
  - Become more productive

- May lead to mechanization - or the use of machines to replace human workers.
Specialization

- Concentrating on a single activity or an area of expertise.
- Focus a worker on only one or a few aspects of production in order to *improve efficiency*.
- Occurs when people, regions or nations produce a narrower range of goods and services than they consume.
Specialization

- Takes advantage of differences in ability
- Fosters learning by doing
- Saves time
  - Time is money!
Specialization and Division of Labor