Assignment 1

[Name of the Writer]

[Name of the Institution]

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Division of labour is an economic notion that means narrowing down or partitioning of complex tasks into several subtasks. Division of labour is also termed as the specialisation of labour. This means allocating workers with specific skills to certain tasks, this result in more efficiency and effectiveness. Assigning workers to particular tasks makes the worker specialist in that task, enhancing employee as well as organisations productivity. Employees can yield much more production using division of labour in contrast to a similar number of employees working alone respectively. Moreover, the division of labour results in increased handiness from learning, improvements in working methodology, more defined and clear steps, and less wasted motion shifting from one duty to another duty (Hearn, 2018). Almost all of the companies split their work processes in order to raise productivity levels. One of the reasons a company may need to perform the division of labour is because of the complexity of their produces; another reason to divide jobs can be because of geography or worker skill sets. Companies also save money and time from dividing labour since workers concentrate on executing one job swiftly and proficiently. For example, If an employee in car manufacturing company has to fit an interior, construct a transmission, and paint a vehicle, he or she might not be able to develop proficiency and promptness at all of those jobs.

Division of labour results in more efficiency and effectiveness because:

* Employees have to work on a small number of tasks and so they needless training or knowledge of diverse fields
* Using one specific tool or machinery to perform one specific job is more productive and swift.
* Wastage of time is restricted or diminished as there is no shifting process from one task to another.
* Workforces get used to one job and grow affiliation, a sense of achievement and loyalty with it.
* The best part is that employees can focus on tasks that they can perform well and which related to their skills.

Moreover, the notion behind specialisation or division of labour is to create or generate economies of scale. Economies of scale refer to reducing the typical cost of manufacturing a product by increasing the rate of production. Employees are likely to master one job swiftly and become much more effective and confident when working on one job rather than having to work on multiple cross-functional jobs. As said, practice makes a man perfect; the employee gains an increased level of dexterity and becomes exceedingly skilful because of the repetitive nature of his or her job. Because the employee has to perform the same job over and over again, he or she attains perfection in his/her skillset. This enhances overall productivity (Robinson, 2017). Another discrete benefit with the division of labour is that the cost per unit is likely to drop down when the product is manufactured on a large scale, ensuring cheaper goods. Lastly, "Time is money," and a smart division of labour tactic saves valuable time.

Division of labour can play a vital role in any economic structure since it results in the maximisation of production in any manufacturing procedure. The breakdown of processes into various simple and clear constituents, with each constituent allotted to specific employees or workers that are best suited to that job, the whole process is rendered more effective.

According to Adam Smith, the creation of wealth or capital is immensely dependent on the division of labour (Smith, 2005). The division of labour is critical for every forward-looking economic structure. The existence of the division of labour is essential for the improved output of labour the ultimately results in economic prosperity; the absence of division of labour is the prominent feature of every underdeveloped financial structure. Under the capitalist approach of production or economy, there is a division of labour that is exclusive to capitalism. Even though all civilisations divide labour but only capitalism splits work into its simplest, most recurring chores. In capitalism, the division of labour results in increased production and control as well. As the procedure of work is divided into small parts, this ensures better management and fine-tuning of the businesses for the sole purpose of the growth of wealth. An additional feature of the division of labour is that along with shaping work it also shapes populations (Smith, 2005).

There are many examples of division or specialization of labour, few of them specialisation are supply chains, outsourcing and role etc.

## Roles

A very general and practical division of labour example is a company that hires employees with specific skill sets, knowledge and experience to perform certain specialised functions.

**Outsourcing**

Outsourcing is also known as subcontracting. It is a business practice to partner in the form of specialty. It means that if one organisation is not capable enough to perform a particular task well, it outsources that task to another organisation which specialises in that task. This results in quality, efficiency and effectiveness. For instance, an appliance manufacturing organisation that outsources much of its IT functions to an IT firm lets both companies to specialise or concentrate in their capacities of economic gain.

[**Supply Chains**](https://simplicable.com/new/supply-chain)

Procuring components, materials, products, parts and services from another organisation is a form of specialisation. For example, if a bicycle producer order tires from another firm that specialises in bicycle tires. This is an example of the division of specialisation.

**References**

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