

As a result of a 20-game winning streak, the Bailey High varsity basketball team and coaches are hometown superstars. They've had their photos in the local newspaper, participated in area sport-radio shows, and have even been featured on nearby television newscasts.

So What

Understandably, everyone wants to know the secret to the success. And, when asked, they always answer with an answer that never specializes. For example, a basketball player, for example, is a point guard, so he plays point guard. Mick is a great shooter, so he's our shooting guard. And, Mick—the biggest guy on the team—does a fantastic job of grabbing rebounds, so he plays center."

Specialization of labor isn't just for basketball teams, though; it's also common in the business world. Businesses use specialized human resources, natural resources, and capital goods all the time. Why? Read on to find out!

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What's Your Specialty?

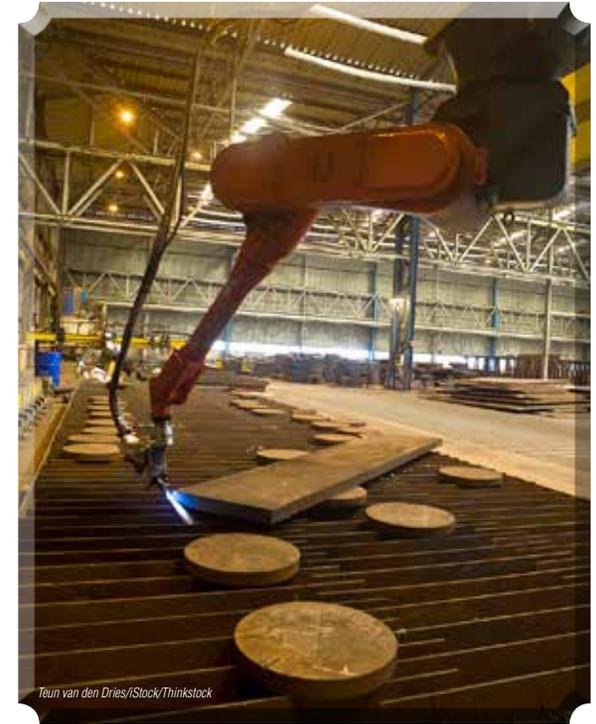
Can you build a car or house by yourself? Few people can. Instead, we rely on others who have the special skills and equipment needed to do the job. By concentrating our efforts on those areas for which we have special skills or equipment, we are able to make the best use of our resources. This is known as **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.



▲ *The construction of a new home involves many different individuals. Each concentrates his/her efforts on the area for which s/he has special skills and equipment.*

4. **Decreased morale and enthusiasm.** As pride in a job decreases, so might enthusiasm. Simon is no longer eager to get to work each day and frequently calls in sick. When he does come to work, he is often late. His coworkers are upset because they've had to pick up his slack, and his managers are upset because productivity and quality have declined. Everybody loses.
5. **Increased chance of obsolescence because of technological advances.** With technology advancing daily, many jobs are in danger of being eliminated. These cutbacks often occur in assembly lines (highly repetitive tasks can be done by computers, e.g., automation). Although technological advances are increasing the value of employees is a minus.
6. **High degree of specialization may cause difficulty transferring or changing jobs.** When employees lose their jobs or want to transfer to another job after becoming highly skilled, other companies may not be willing to pay for their expertise. Highly skilled workers often receive higher salaries than new workers doing the same task. Unfortunately, another company may not hire them at that salary rate if they can hire a beginning worker for less.

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▲ *Technological advancements are eliminating the need for lower skilled employees.*



What jobs will be automated in the next 20 years? This fun online tool from Planet Money gives you a sneak peek: <http://www.npr.org/sections/money/2015/05/21/408234543/will-your-job-be-done-by-a-machine>.

Combating Disadvantages

Fortunately, companies are finding ways to combat many of the disadvantages of specialization and division of labor. Let's see what they are.

- **Hit more targets with a bigger scope**

To combat boredom on the job, businesses may add to the scope of their employees' jobs. Rather than requiring their workers to repeatedly perform only one very specialized task every day, many companies include several different tasks within each job. For instance, instead of limiting its sales force strictly to selling merchandise, an employer might increase the number of different tasks that each salesperson is responsible for. Expanding each employee's job scope to include cash register operation, inventory management, product displays, and restocking merchandise in the department can help employees enjoy higher productivity, and the employees are likely to be more satisfied in their positions.

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- **Rotate!**

Along with increasing job tasks, employers may periodically rotate employees throughout the business to bolster morale, enthusiasm, and interest on the job. As employees move from job to job within their company, they learn more tasks and how they relate to one another within the organization. By working in different departments within a company, employees develop a better sense of the entire organization as well as each individual business function. Read more about job rotation in N. Plowman's article, "Advantages of Job Rotation: Reduce Turnover by Influencing Employee Burnout, Satisfaction, and Motivation" at <http://www.brighthub.com/office/entrepreneurs/articles/55274.aspx>.



▲ *Job rotation is a great strategy to help employees understand the company in its entirety. It keeps ambitious employees engaged and learning new sections of the business.*