

# Sample argumentative essay on the organization of labor to a firms profit strateg...

[Business](#), [Company](#)



## **Introduction**

Labor is one of the most crucial elements of any organization. Labor is usually provided by the workers who have employed by a firm. It is often said that human resource is the most important asset of any organization and consequently, this asset must be treated with great respect and dignity. Employees who make up the human resource element of the organization play a great role in assisting a company to achieve its goal and its objectives. Through the provision of labor, the running of company's operations is, therefore, made possible. When it comes to goals and objectives, the ultimate and primary goal of any organization is profit maximization (Ohnishi, 2003). Every organization aspires to acquire or receive the highest amount of profit that is possible. A firm usually pursues this goal and objective through a profit strategy. This profit strategy is usually facilitated by a host of factors with one of these factors being the organization of labor. How labor is organized plays a significant effect on the achievement of a firm's profit strategy goals (Griffin et al., 1986). This paper aims to explore the importance of organization of labor to a firm's profit strategy. The paper will commence with a brief history on the organization of labor before delving fully into the importance labor to the profit strategy. The organization of labor can in actual sense be traced to the days of slavery. During this era, hundreds of thousands of slaves were shipped from Africa and taken to Europe and America to work in large plantations. Before the emergence of slavery, work performance and accomplishment of duties was dependent on self-sufficiency. However, industries were growing, and markets were expanding (Blackburn, 1998). For instance, there was the

development of capitalism agriculture in England (Blackburn, 1998). This necessitated the need for cheap laborers. It was then that employers started to look for ways through which they could exploit the existing laborers. The first thing was the introduction of the famous indentures. Under the indenture system, a given individual was committed to working for another individual whom he was indebted to until he was deemed to have paid all that he owed. It was this type of service that later led to slavery. Not only was the slavery business lucrative for those who physically travelled to Africa to get slaves, but there was great promise for those who owned big agricultural enterprises in form of plantations (Blackburn, 1998). The expansion of the English markets led to increased demand for goods and hence, there was a need for increased production. Slaves would provide the required labor to boost production. Most of the planters who owned big plantations and slaves made very careful calculations regarding the output of labor and the related effect on the overall profits that could be made, for example in one plantation.

For instance, they were continuous calculations on fresh lands on which new crops could be planted and the profits that could be accrued. Plantation owners often calculated the amount of labor and hence the amount of profit that could be extracted from each slave. Slaves were forced to reach the targeted labor level by devious means including whipping and lashing among other painful procedures. Daily labor targets were set and each worker had to strive to reach the target because if targets were not met, the slaves were due from punishment. The plantations were able to devise that if each worker contributed or gave a particular amount of labor, (for example if each

worker picked a particular amount of cotton barrels on certain day) profit levels were likely to rise (Blackburn, 1998). In fact, this is perhaps where the relationship between the organization of labor and profit strategy or profit maximization commenced (Ohnishi, 2003). By organizing labor and setting standards for the amount of labor to be produced in a particular day, the plantations had high chances of boosting their overall levels of profits.

Labor essentially drives the direction of a firm, and this is why many firms have been incorporating and using it as part of their strategy. Sometime back, the aspect of labor although important to the organization was never really given much attention when it came to formulating the profit strategy for the firm (Futagami & Okamura, 1996).

This is because labor was taken to be a constant element of the organization that could withstand any economic upheavals and as long as it remained stable, then the firm could pursue other means that could lead to the improvement or the rise in the overall profits.

However, this changed after firms began realizing that labor can be manipulated to have a very influential effect on the overall profits of the company. This is why organization labor has become a common feature and occurrence in many organizations. This is especially in those organizations that are involved in direct production of materials. This may include organizations in the agricultural industry.

An industry involved in direct production is quite different from other organizations. In many of these organizations, the daily production or daily output has a huge effect on the profitability levels of the company. This is especially the case for those organizations that have established huge

markets or whose share of the current market is solid enough (Beard & Dess, 1981). These organizations however have to be smart when it comes to labor.

When labor is directly tied to daily production or output and therefore profit, one common strategy may be to increase the amount of labor by increasing the amount of employees in the company. This is however not always the solution. Increasing the number of the employees may inadvertently lead to increased production or output levels but this increase will be balanced by the new wages that will have to be paid to the new laborers (Beard & Dess, 1981). Therefore, in one way or another, although the total output level may increase and the sales may therefore rise, the increased profit is not essentially a real profit since a huge component of it is actually the money that will be paid to the newly employed workers (Beard & Dess, 1981). This is why firms that are involved in direct production need to be smart and need to organize their labor so as to increase their profit. The best strategy seems to follow the one that was utilized by slavers whereby calculations were made on the amount of labor that could be extracted from each (Futagami & Okamura, 1996). The only difference in this case is that employees are not punished physically as was the case during the days of slavery (Cooke, 2003). At the beginning of each year, after assessing its human resources needs and hiring the amount of laborers that the firm can successfully maintain, the next aspect should involve calculating the amount of labor that can be extracted from each of the laborers (Futagami & Okamura, 1996). In fact, it is this aspect that should be used determine the total number of employees that that are going to be hired by a particular firm.

The calculation of the amount of labor that is extractable from every single worker on a daily basis should be used to guide the total amount of laborers that the organization needs. If the organization can be able to extract the standard amount of labor from each worker, then it becomes very possible for the goals of its profit strategy to be realized (Ohnishi, 2003). On the contrary, if the organization puts into coordination other factors such as sales alone and the quality of products, the goals of its profit strategy may ultimately not be realized because as it has been shown, labor has a direct effect on the profit that company is able to acquire or achieve.

Many firms are, therefore, beginning to realize the importance that the organization of labor has on the firm's profit strategy (Griffin, 1986). In fact, it is becoming increasingly clear the success of the firm's strategy may be dependent on how the organization is able to organize its labor. Labor is not something that is constant and that an organization can always rely on (Futagami & Okamura, 1996). This is the mistake that many firms make. They assume, for example that the performance of its laborers will remain constant forever. If this performance has been generally stable and uniform, the organization may think that it can actualize or implement its profit strategy by manipulating other elements of the firm without touching on the labor element (Futagami & Okamura, 1996). However as seen, this may not always be successful as no one can guarantee that the performance level of workers will remain constant at all times. It is actually the role of the firm's strategies to come up with ways to ensure that performance remains stable and in fact if possible increases. This will make it possible for the labor to be aligned with the company's profit strategy and in the long run, the firm's

profit goals become realized.

Fredrick Taylor, who is considered to be the father of management, came up with a brilliant strategy on how organization of labor can be tied to the profit goals of the organization. First of all, it is wise to acknowledge that what drives workers to perform to the best of their abilities is motivation. If motivation is not there, it is inadvertently very hard for a firm to be able to extract an amount of labor from the workers that is satisfactorily and that can be used to drive the organization's profit strategy. Taylor (1911) proposes what he calls the 'scientific management of employees.' This scientific management of employees ensures that each every employee performs to their optimum level and the firm can therefore be able to extract a desirable and satisfactory amount of labor from each employees that will be used to drive the organization's profit strategy. The premise of the scientific management theory is that workers are solely motivated by money (Taylor, 1911). Therefore, the organization of labor using Taylor's way of thinking involves the tying wages and salaries to performance. Each worker is remunerated for their performance and their input level (Taylor, 1911). Since employees recognizes that they will be handsomely rewarded if they put in a good performance, they will perform to the best of their abilities. In addition to this, Taylor gives several steps that when taken by a firm can ensure that optimum production is achieved. Optimum production will without a shadow of doubt facilitate the achievement of the goals of the organization's profit strategy (Taylor, 1911). The particular steps that will ensure optimum production include the selection of workers, observing the newly selected workers and recording the time they take to complete tasks,

training the workers on how to complete the same tasks in the quickest way that is possible by recommending proven methods, supervision to make sure that workers are following the recommended methods, and finally the payment of workers based on their performance and results (Taylor, 1911).

Although the organization of labor plays a huge role in the firm's profit strategy, it also has an effect on the relationship between the management and workers. Unfortunately, this effect is negative. Generally, the organization of labor is done to ensure that the workers' general output levels are up to standard and that the element of labor actually facilitates the realization of the firm's profit strategy goals.

Unfortunately, this may not resonate well with the employee who may adopt the notion that the organization or the firm is simply concerned about making profits. The firm may simply be dedicated to ensuring that the employees meet the set standards of performance without giving consideration or showing any concern to their personal needs. This may create tense relationships between the management and the employees which is of course detrimental to the organization's progress.

## **Conclusion**

In conclusion, it is clear to see that the organization of labor plays a crucial role in the firm's profit strategy. In fact, proper organization of labor acts a driver to the firm's profit strategy and in the long run leads to the achievement of the profit strategy goals. Organization of labor should involve calculating the amount of labor that is extractable from each employee on a daily basis. Various measures should then be taken to ensure that the



workplace conditions are favorable for the employees to produce the optimum amount of labor that is needed for the realization of the firm's profit strategy goals. However, even in organizing labor, the firm should ensure that the personal needs of workers are also taken into consideration. A process of organizing labor that is simply intended to increase a firm's profits and that does not take into consideration the personal needs of the employees may not resonate well with the employees and their relationship with the management may be damaged.

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