

Smith's work on the division of labour



A world-renowned book titled 'An Inquiry into the Nature and Causes of the Wealth of Nations' was written by Adam Smith at the end of the eighteenth century. This book, which is also known as 'The Wealth of Nations', remains an influential literature to date and is well-known amongst academics. The first chapter of this book is dedicated to a detailed discussion about the division of labour. Adam Smith states in the opening paragraph of this chapter that "the greatest improvements in the powers of labour, and the greater part of the skill, dexterity, and judgment with which it is any where directed, or applied, seem to have been the effects of the division of labour." (Adam Smith, 1776, p. 13). In this chapter he advocates the importance and the benefits, mainly economical, of the division of labour; and the need for it in the society. He also acknowledges the negative and psychological effects of the division of labour in the society and suggests a solution for these matters. Several other philosophers and intellectuals, including Aristotle, Plato, Karl Marx, Henri Fayol and Fredrick Taylor, have also referred to the division of labour, and its importance, in their writings after or prior to Adam Smith's 'The Wealth of Nations' in 1776, but the comprehensive work of Adam Smith on this topic is considered to be of great significance. The aim of this essay is to discuss that why Adam Smith's work on the division of labour is still of interest in the twenty first century; and to critically analyse the effects of the division of labour in the society.

A strong economic position is vital to ensure the prosperity of a country and as well as a firm. This can be achieved through consistency in the economic growth. In order to keep the growth consistent it is important that productivity is increased, particularly in industrial economies. This is a factor

that Adam Smith believed was the result of the increasing division of labour.

“ Smith emphasized the importance of the division of labour as the root of economic progress” (Thomas Donlan, 2008, p. 33) According to Smith the division of labour leads to specialization in specific tasks, by breaking down the production process into smaller tasks. As a result of this practice the workforce becomes specialized in a particular task, which leads to greater efficiency and higher productivity. Following is a quote from ‘ The Wealth of Nations’ in which Adam Smith refers to the pin-making factory:

“ Those ten persons, therefore, could make among them upwards of forty-eight thousand pins in a day. But if they had all wrought separately and independently, and without any of them having been educated to this particular business, they certainly could not each of them have made twenty, perhaps not one pin a day.” (Adam Smith, 1776, p. 14-15)

The point made here is that the division of labour and specialization leads to greater levels of output. Whereas, an individual performing all tasks single-handedly is not capable of producing a smaller percentage of the output that is produced as a result of the production process involving the division of labour. Adam Smith is not the sole intellectual who emphasized the importance of the division of labour. ‘ The division of work’ is also one of Henri Fayol’s 14 principles of management. P. G. Aquinas in his book “ Principles of Management” elaborates this principle and states that the “ division of work among various individuals in the organization is necessary to bring about specialisation in every activity. Management process should be based on the principles of specialisation. Division of work or specialisation alone can give maximum productivity and efficiency.” (P. G. Aquinas, 2005, <https://assignbuster.com/smiths-work-on-the-division-of-labour/>)

p. 80) This point is closely associated with the ultimate goal – to maximize profit through lower inputs and higher outputs – of every manufacturer in the contemporary business world as capitalism is on the rise and the market structure is perfectly competitive. In order to have an edge over the competitors and increase the market share, the division of labour has proved to be a handy tool for manufacturers. Additionally, this idea also relates to mass production, which can be achieved by means of adopting specialization in the production methodology. It is a characteristic of the developing countries, including China and India, to produce standardized products in large amounts.

The positive influence of the division of labour is evident in almost every aspect of the society, particularly in the industrial sector. It can be easily observed that the division of labour continues to influence the different fields in the society; including the government of a country. Nevertheless, one might also find it difficult to identify its existence in some societies as it can be in a sophisticated form. In the government level, the formation of a cabinet with the aim of effective governance by the head of state and the subsequent assignment of specific duties to particular individuals, having different expertise, within the government department is a clear example of the division of labour and specialisation. Furthermore, if specialisation is considered from an individual's perspective, it tends to prove an advantageous idea. It enables one to be better off in terms of both monetary and non-monetary rewards. Professionals who have specialised in a particular field tend to receive better remuneration packages. It also allows one to gain substantial experience in the relevant field with the passage of

time and make further improvement in his/her area of specialisation. For instance, in the medical field the compensation packages of consultants i. e. specialists are comparatively higher than the general practitioners (GPs) due to their specialisation in a particular area.

Critics argue that the extreme division of labour causes alienation and dissatisfaction among the workforce, particularly the workers in manufacturing factories. They considered this to be the weakness of Adam Smith's work. In spite of this, Adam Smith also recognized this matter; he believed that working in factories and performing repetitive tasks all day has negative consequences in terms of social aspects. For this reason, he proposed a satisfactory solution. He believed that the provision of education to workers is essential to overcome these problems. " Surprisingly, Smith recognized the potential problems of this development. He pointed out that forcing individuals to perform mundane and repetitious tasks would lead to an ignorant, dissatisfied work force. For this reason he advanced the revolutionary belief that governments had an obligation to provide education to workers. This sprung from the hope that education could combat the deleterious effects of factory life." (The Victorian Web, 1995). This signifies that the welfare of labour was also of importance to Adam Smith besides the firm's benefit .

The ongoing shift, in economic production, from manufacturing to services undermines the ideas of Adam Smith, to an extent, concerning the increasing division of labour. It is difficult to divide tasks in service-based labour. Additionally, it can be observed that the degree of the division of labour is relatively low, and in some cases nonexistent, in certain aspects of

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the service-based labour. For instance, a mortgage advisor at a branch of a local NatWest bank deals with the file of a customer throughout the process of securing a mortgage; or a learner driver who intends to learn driving a car is benefited from the service of only one person technically i. e. the driving instructor. However, the division of labour might be applicable in the administrative matters, but to a limited extent. Moreover, the division of labour and specialisation is associated with high level of dependence, which discourages the existence of multi-skilling. As the level of absenteeism is on the rise at workplace, the absence of an individual who performs a specific task in the production process might cause a delay in the overall of operations of a firm. Whereas, multi-skilling can be an effective tool to overcome similar problems and reduce the level of dependence on a particular individual. As a result, the idea of specialisation is not favorable in such circumstances.

To conclude, Adam Smith's work on the division of labour entails some important concepts. These concepts have mainly proved to be effective in the industrial sector. The division of labour results in specialisation. The key outcome of this approach is efficiency in the production methodology that ultimately leads to increased productivity. This approach has been adopted by most of the firms. These firms are still the beneficiaries of Adam Smith's ideas. Firms are required to make commodities available in the market at lower prices in order to have an advantage over the competitors in the market; this can be only achieved to get the most of out of the factors of the production, in this particular case the workers. They have to be made to work efficiently and effectively to produce greater output with finite

resources. Adam Smith's work on the division of labour was published in the late eighteenth century, which is considered to be the era of industrial revolution. At that particular span of time Industries attracted a large number of workers from the agricultural sector and the ideas of Adam Smith perfectly suited the industrial economies. Recently, as there has been a major shift from manufacturing to the services sector the reputation of the idea of increasing division of labour is being scrutinized to weaken it. It is also considered to be the cause of distress among the workers, who are forced to perform similar activities for the time they spend at their workplace.

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