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□ “Division of Labor” Does Not Hold True?

Since the publication of the Wealth of Nations by Adam Smith in 1776, “The Division of Labor” has been used as the standard norm of business practice to improve productivity.

This is in particular true in manufacturing industry. After the successful moving conveyor production system was introduced by Ford Motor in 1920’s, along the long moving conveyor belt many workers are positioned to perform simple same operations repeatedly. This system is depicted sarcastically by Charlie Chaplin in his immortal cartoon film “The Modern Times”. Frederic W. Taylor (1856-1915) proposed and implemented “One man-One job” system with improved productivity by using unskilled workers. The principle of “One man-One job” worked so well with unskilled workers in manufacturing industry in USA that the same principle was implemented in service industry too with much success. The most famous example is the Hilton Hotel Chains the first of which Conrad Hilton started in 1924 in Dallas Texas. Before Conrad Hilton a famous hotel manager ran the prestigious hotel in his professional ways. Conrad Hilton subdivided the whole job of hotel into many independent elements of Room cleaner, porter, linen service, account, bar and restaurant.

This arrangement of sub-divided jobs has two advantages: productivity improvement and equal standardized service. However One man-One job system on the moving conveyor belt began apparent inefficient around 1970’s in some industries such as electronics and automotive when they were to face the new production requirement to produce various kinds of products to satisfy varied customer’s needs. The other factor is the fact that the today’s workers are more educated and potentially capable than unskilled workers years ago. The cell production system of today is mere an extension of this drastic change.

The cell production system was first introduced by Toyota JIT engineers as earlier as 1960’s and is being implemented by many industries in Japan and overseas.

End of Report

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- Adam Smith introduced the principle of the Division of Labor in the first chapter of his book when he explained about the pin-making process to be split into 18 subgroups of operations with 240 times productivity increase, ----- 4800units/operator-day vs. 200units/operator-day