

ECONOMICS

- LABOR: WORKING
- LEISURE: ANY TIME NOT WORKING



DEMAND FOR LABOR A FIRM IS GOING TO BUY / DERIVED DEMAND.

how many workers to hire

Substitutive motivations } REPUTATION CULTURE. IDEAL.

OPPORTUNITY COST OF NOT HAVING AN IDEA. OR FOLLOWING A SOLUTION.

THE PITCH.

- opportunity cost of working: amount of leisure you give up.
- as more hours are worked leisure time is more valuable and value of income not as valuable.

LABOR

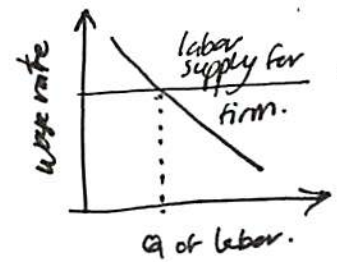
EACH WORKERS CONTRIBUTION. $10 \text{ @ } 10 + 11 \text{ @ } 11$

MARGINAL PHYSICAL PRODUCT. $MPP = \frac{\Delta \text{TOTAL OUTPUT}}{\Delta Q \text{ of Labor}}$

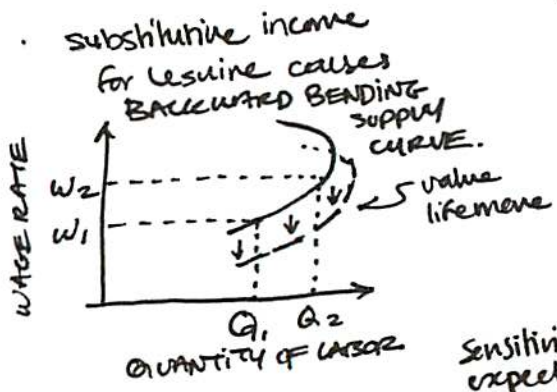
MARGINAL REVENUE PRODUCT. $MRP = \frac{\Delta \text{Total revenue}}{\Delta Q \text{ of labor}}$

measures dollar value...

PERFECTLY COMPETITIVE FIRM



labor supply rate is set by market.



UPPER LIMIT OF WHAT YOU CAN PAY WORKER. } often measured as a business units instead of person.

You hire up to your $MRP = \text{margin wage rate}$

keep hiring until the cost of hiring last worker = revenue generated by that person.

60-80% of jobs created in small businesses.

DETERMINE COMBINATION OF FACTOR INPUTS $\frac{MPP_a}{Cost_a}$ vs. $\frac{MPP_b}{Cost_b}$

what is the future of services?

how do we measure service
how do we calculate services.

MARKET SUPPLY OF LABOR DICTATED BY

- TASTE
- INCOME & WEALTH
- EXPECTATIONS
- COST OF INCOME, GOODS, TAXES.



Sensitivity to expectations.

- Management Men
- coach
- trains
- in cents.

elasticity of labor supply = $\frac{\% \Delta Q \text{ labor supply}}{\% \Delta \text{ wage of labor}}$

* consultancies are very competitive. / 3x as many applicants // show interest... * service economy * product design. iGCSE.

Economics

- unions: monopoly provider of labor
- monopoly: are buyer
- how to have the most amount of workers for lowest price.

ORGANIZATIONAL ARCHITECTURE

how do you think people are motivated . ability to apply relevant policies & tools to affect .

- people are inherently self interested
'we want what is best for us & our families'
- we have different information & processing information.

• design rights

• rewards

• methods to evaluation.

- creation & assignments of decision rights
• who does what?
- STRUCTURE & EVALUATION OF THAT STRUCTURE TO ~~ACHIEVE~~

• economic Darwinism.

• You have to be ^{best or 1st} as well as as your nearest competitor in order to survive.

} value demanded by customer at a ~~constant cost~~.
Deliver price value AT AN ACCEPTABLE PRICE.

Benchmarking

- looking at your competition.
- ETHICS & CULTURE.
makes subtle differences ...

ECONOMICS

ALTERNATE MODELS OF EMPLOYEE BEHAVIORS.

- only money matters. model  - immotivated by money
- happy is productive model  - happy creative / meaningful environment.
- GOOD CITIZEN  - i'll do well if pushed.
- PRODUCT OF THE ENVIRONMENT  - i was brought up good. / i'm surrounded by certain people

Economic model

employ conduct can be influenced by a fairly cost & benefits facing.

LOCAL INVESTORS FOR LOCAL STARTUPS

We are all motivated by different things at different times.



- Value of transparency in ~~these~~ organizations.
- Command economy model - very difficult to manage.
- Freemarket economy = a kind of freedom & democracy.
- PROPER RIGHTS - intellectual property rights.
- By trading both buyer & seller can be advantaged
- per hour production

	Donna	Mario
meat	1 lb.	1/6 lb
beer	1/2 qt	1/3 qt.

absolute advantage.

Comparative advantage

	Donna	Mario
1 lb meat		2 qts beer
1 qt Beer	2 lbs meat	1/2 lb meat.

