WEEK 7

1. **In this week, we formalize an idea that has cropped up at several points in the course – gaining computers' full benefits requires reorganizing how work is done. And it is this reorganization that translates technical change into shifts in labor demand.**

We review examples beginning with a short reprise of the Upstairs/Downstairs paper (check imaging in a bank) read earlier. The Orlikowsky paper describes the process of building a data base among technical support help desk representatives so that (a) the support representatives can take advantage of each other's solutions (and don't have to rediscover the wheel) and (b) managers can keep better track of how representatives are performing. The Shaw paper explores these ideas more generally in the context of her joint research on steel mills. The Thesmer and Thoenig paper is an interesting attempt to model alternative forms of production and to show how endogenous technical change, stimulated by greater supplies of educated labor may cause one technology to be adopted over another.