



CEO General Manager





Manager



Employee Intern

#### Adding more layers of

Management

#### rise

#### adds more to Costs than to Output



#### General Manager



#### Assistant Manager





# Due to Monitoring Costs...

# Add to Costs \_ Add to Output +

# Add to Costs Add very little to

Output

Workers add costs but produce more

Don't produce,

only Monitor

### Adding more layers of Management



than to Output

ATC rises

Due to Monitoring

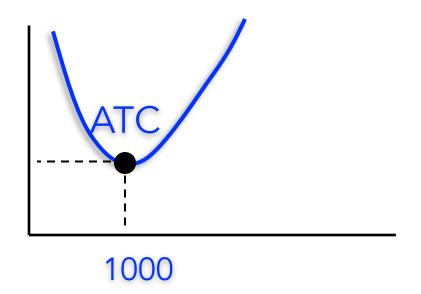
Costs...



Manager

Assistant Manager





$$ATC = \frac{TC}{Q}$$