



Figure 1. Non-Hierarchical and Hierarchical Production. The panel depicts production absent hierarchies; sets of problems are allocated to lawyers arbitrarily and each lawyer applies their time and knowledge toward whatever set they confront. Output is $z_m + nz_w$. The bottom panel depicts output under hierarchical production. The $n + 1$ lawyers have $(n + 1)^\theta$ units of effective time to solve problems. Lawyers divide work so that the n associates handle the easiest parts and the partner handles the hardest parts of the problems the group confronts. Output is $z_m(n + 1)^\theta$.