

How coworkers impact the value of your skills

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In today's world, most workers are highly specialized, but this specialization can come at a cost—especially for those on the wrong team. New research by Harvard's Growth Lab uncovers the importance



of teams and coworkers when it comes to one's productivity, earning potential, and stays of employment.

The research—recently published in the journal *Science Advances* analyzed administrative data on the 9 million inhabitants of Sweden. By constructing networks of complementarity and substitutability among specific educational tracks, the research assessed the importance of the skills of coworkers. It found that to earn high wages and returns on education, workers must find coworkers who complement, but not substitute, them. The returns to having complementary coworkers are large: the impact is comparable to having a college degree.

The research offers <u>a tool</u> to assess the right and wrong coworkers in fields of expertise. The right coworkers are those with skills you lack, yet needed to complete a team. The wrong coworkers are those who replicate your skillset and ultimately lower your value to the employer. For example, those with a degree in Architecture are best complemented by workers with engineering, construction, or surveying degrees, and negatively impacted by those with landscape or interior design degrees.

"We tend to think of skills as being something personal that individuals can market to a company,' said Frank Neffke, Growth Lab Research Director. "However, this vision of skills is too simplistic. One person's skills connect to another person's skills, etc., and the better these connections, the more productive workers will be, and the more they will earn."

Complementarity also drives careers. The research shows that people tend to stay longer in organizations with many complementary workers and tend to leave those with many workers who substitute them. These results hold true for up to 20 years of one's career.

The research also supports several well-known facts, such as cities and



large firms pay <u>higher wages</u>. Workers are more likely to find better fitting teams in cities, and <u>large firms</u> often allow workers to specialize.

Neffke adds that the benefits of working with complementary coworkers are not the same for all workers. Those with higher levels of education seem to benefit much more from working in complementary teams than workers with lower levels. Over the past 20 years, workers with <u>college</u> <u>degrees</u> or higher have been increasingly able to find better matching <u>coworkers</u>.

More information: Frank M. H. Neffke, The value of complementary co-workers, *Science Advances* (2019). DOI: 10.1126/sciadv.aax3370

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