

Star employees get most of the credit—and blame

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Working with a "star" employee—someone who demonstrates exceptional performance and enjoys broad visibility relative to industry peers—offers both risks and rewards, according to new research from

the Cornell University's ILR School.

In collaborations, [stars](#) tend to get more than their share of the credit when things go well—and more of the blame when projects don't succeed, according to "Shadows and Shields: Stars Limit Their Collaborators' Exposure to Attributions of Both Credit and Blame," published Dec. 10, 2020, by *Personnel Psychology*.

"We look at what happens when you collaborate with a star in terms of whose getting credit when that collaboration is successful," said Rebecca Kehoe, associate professor of human resource studies. "What we find, and this is consistent with research on the Matthew effect and other work, is that if you collaborate with a star and that collaboration is successful, the star does get more of that credit and you benefit less than if you were working with somebody that wasn't a star. The silver lining here though is that if you collaborate with a star and that collaboration is not successful, the star takes the heat."

Looking at the U.S. hedge fund industry, Kehoe and her co-author, F. Scott Bentley of Binghamton University, hypothesized two-way interactions predicting that collaboration with a star would weaken both the positive effect of co-managed fund success and the negative effect of co-managed fund failure on a non-star.

The duo also examined the role a non-star's personal status plays in shaping the effects of succeeding or failing with a star co-manager. Namely, if a non-star has success of their own, they may be less likely to be overshadowed by a star co-manager when they succeed, and be better poised to benefit from shifts of blame to a star co-manager if they fail.

The paper "really points to the richness that stars can provide to an organization if they, and the people around them, are managed effectively," Kehoe said.

Kehoe and Bentley tested their hypotheses using data obtained from Eurekahedge, a private third-party investment research firm specializing in compiling data on hedge funds and fund managers, and from Institutional Investor, a media organization known for its trade journal that publishes lists ranking hedge fund firms and fund managers.

Their data consisted of monthly observations on U.S. [hedge funds](#) from 2005 to 2019 and career histories of the managers of these funds. The full dataset included information on 59,337 non-star fund managers involved in the management of 28,304 funds.

Results showed that collaborating with a star reduces the credit—and gains in professional status—that non-stars experience in the context of collaborative success. On the other hand, collaborating with a star not only mitigates—but may actually outweigh—the professional status loss associated with collaborative failure.

"Another layer to the findings was that it turns out that employees that have their own record of success are the ones that benefit the most by working with stars," said Kehoe. "The ones that need the benefit of working with the star the least actually benefit the most. Our thinking there is that to the extent that you have proven yourself as an employee, even if you're not a star, then others are less likely to brush you off when they look at your collaboration with a star."

The duo also found that people who don't do well on their own but have a successful collaboration with a star, actually fare worse.

"They may be seen as riding the coattail of the stars," Kehoe said.

"While low-performing employees might not get a status bump when they succeed with a star, if they're at least in a situation where they're learning from the star's expertise, then that's going to help their performance outside the collaboration, which can eventually put them in

a better position down the line.

"I think what this points to, both for low-performing employees and for managers," she said, "is the importance of being very mindful of what is the gain that you're hoping to achieve from a [collaboration](#) with a star."

More information: Rebecca R. Kehoe et al. Shadows and shields: Stars limit their collaborators' exposure to attributions of both credit and blame, *Personnel Psychology* (2020). [DOI: 10.1111/peps.12436](https://doi.org/10.1111/peps.12436)

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