

# On-the-job experience and career outcomes

By Gong Jie

**W**ORK experience matters for careers because true skill development happens on the job. A consultant learns more on projects than “on the bench” behind the scenes; a medical intern becomes more proficient by dealing with various complications than by observing cases.

Opportunities to gain such front-line experience are important, but are often limited within an organisation. Thus, when making choices of which jobs to take, individuals make a trade-off between being a big fish in a small pond and a small fish in a big pond.

The former corresponds to working for a smaller company where an employee is more likely to stand out from his peers and have more opportunities to wear many hats and gain more job experience. The latter reflects working for an elite firm where peers are more competitive and the opportunity to acquire frontline experience is slimmer.

## Career progress

The decision concerning which type of organisation to work in hinges on how much frontline experience matters in long-run career development.

A 2017 survey found that four in five Singaporeans prefer working for multinational companies (MNCs) with 63 per cent and 54 per cent for small-medium size companies (SMEs) and start-ups respectively.

Why? Singaporeans seek employer global reputation.

Yet, SMEs and start-ups may well provide frontline experience that may be instrumental to career progress in the long run.

To understand the value of on-the-job experience, my research at National University of Singapore (NUS) Business School studied how it shapes individuals’ career development in the long run and whether it



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translates into better jobs and higher wages. It is challenging, in most occupations, to observe how much time employees spend performing productive tasks and separate it from general duration of the job.

But for professional footballers, as employees of the club, their productive task is to play matches and experience can be measured by the number of matches played.

Hence, my co-researchers and I studied English football and used the labour market for professional footballers to examine the value of experience, and thereafter apply our findings to human capital management in businesses.

English football is organised as a hierarchy of leagues. At the end of the season, the three lowest-performing

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teams in each league are demoted to the next lower division.

Relegated teams experience a sharp decline in revenue that reduces their recruiting budgets and hiring of competent players. When this occurs, the demoted team grants more opportunities and playing time to incumbent players because top talents are no longer affordable.

We compared a total of 664 players from the third-from-bottom teams that were just demoted and the fourth-from-bottom team that just missed demotion, and tracked their performance.

Players in the marginally relegated teams are comparable to players in the marginally survived teams.

Our data show that the two groups of players, before relegation, were similar in demographics and professional characteristics such as years in sport, loan or swap history and wages.

However, relegation had its effects.

During the first year after relegation, the appearance rates of incumbent players in relegated teams increased by 12 per cent relative to the non-relegated players, giving them more on-field or on-the-job experience. Such increased on-the-job experience yielded long-run benefits.

In the fifth to seventh year after relegation, the relegated players began to play in better leagues than the non-relegated players. This resulted in higher wages too.

But the advantages of more front-line experience do not benefit everyone.

We found young players aged 18 to 24, and those with less experience, to be the key beneficiaries. Older players were not able to catch up after relegation indicating the importance of experience in early career.

Our findings are intriguing because they demonstrate that more exposure to on-the-job activities can

possibly overcome organisational hurdles.

How so? In the football setting, relegated teams tend to be financially distressed with management instability. Players have access to fewer resources and receive inconsistent training. Their rival and peer players are also less competent than those in higher divisions.

## Wearing multiple hats

Despite such human capital setbacks, having more on-field experience helped the younger players climb their career paths.

SMEs are similar. They tend to be short-handed and employees have to wear multiple hats, doubling up for marketing and corporate communications for instance.

Yet, this increased exposure gives employees more opportunities to practise key tasks and learn beyond their job scope.

Our findings also suggest that when managing human resources, firms should take into account employees’ potential to learn and the effects on their future performance.

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Less-experienced younger employees have to be groomed to shadow the experienced ones so that their performance can be enhanced.

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