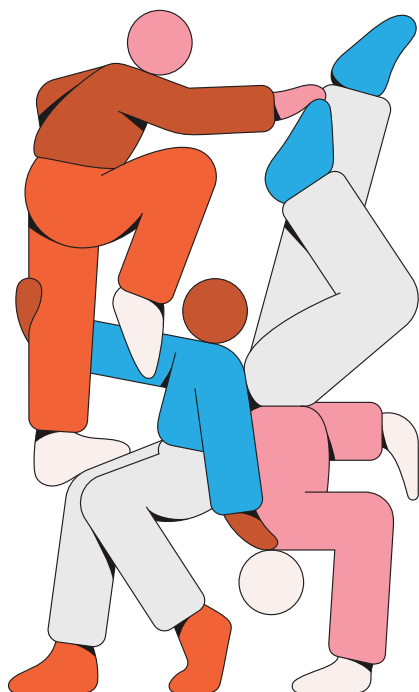


NETWORKING

Well-Connected Employees Can Boost Firm Performance

Knowing the right people can help you land a job. It can also make you especially valuable to your company.

That was the conclusion of researchers who analyzed the 12 million connections of 2 million employees on a large Korean professional networking app from 2014 to 2018. On the app users upload an image of a connection's business card after meeting. Connections were matched against 1,553 public Korean firms so that the researchers could compare employees' social capital against firm data like return on assets



(ROA), sales growth, and other metrics. The researchers found that companies with well-connected employees logged stronger firm performance, year over year, than firms with less connected workers did.

Because of the nature of the app (one-directional uploading), the researchers were also able to determine who mattered more: employees who uploaded many cards, or employees whose cards were uploaded frequently by others. They found that firms that had an above-average number of employees whose cards were often uploaded saw a 0.9 percentage-point boost in ROA and 4 percentage-point boost in sales growth, year over year. Having an above-average number of employees who uploaded many cards, by contrast, had little impact on firm performance. Those results held true after controlling for firm size, age, stock return volatility, and head count, as well as employee satisfaction and skill level.

The researchers say employees that many people add to their networks lower coordination costs (their calls get returned, and they get information faster), and their visibility elevates the reputation of the firm. A follow-up study found that companies with such employees also secured more government contracts and experienced wider and more-favorable media coverage. In other words their connections paid off in tangible ways for their employers.

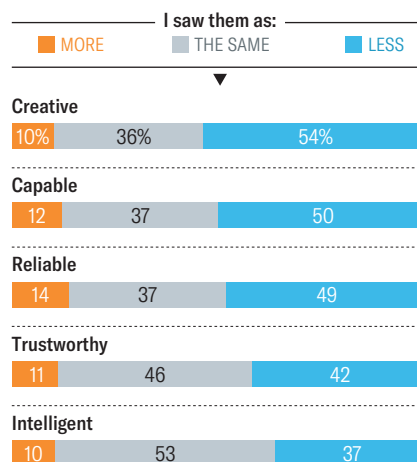
ABOUT THE RESEARCH *"It's Not Who You Know—It's Who Knows You: Employee Social Capital and Firm Performance," by DuckKi Cho et al. (Management Science, 2025)*

AI AND MACHINE LEARNING

"Workslap" Causes Reputational Damage

A new survey of 1,150 U.S. employees found that many of them send and receive "workslap"—low-quality AI-generated content that creates more problems than it solves (think AI-written emails that require follow-up). Responses to the survey show that sending people such output has an interpersonal cost.

How did receiving workslap change your perception of your colleague?



Who sent the workslap?



Source: Kate Niederhoffer et al.

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