

Skill Acquisition, Leadership, and Assignment of Workers in Team Production*

Keisuke Hattori[†]
Faculty of Economics
Osaka University of Economics

Mai Yamada[‡]
Graduate School of Economics
Osaka University

Abstract

Using a simple model of team production with heterogeneous workers, this paper examines the effects of the different ways to pair up workers and the different types of leadership role assignment on total production and workers' incentives to manipulate their skills. When there is no leadership assigned to workers, workers have the wrong (right) incentives to lower (improve) their skills if the skill gaps are small and the preferences for team rewards are small (large). Also, there is a tendency for the relatively high-skilled (low-skilled) worker to raise (lower) his/her skill. On the other hand, when one worker is assigned to a leadership role, a leader never has incentives to lower his/her skills whereas a follower may have them. The heterogeneous pairing in which workers with different skills are paired up yields greater total production than homogeneous pairing in which workers with same skills are paired up. However, in the long run, the homogeneous pairing may yield greater total production due to workers' strategic incentives to change their contribution skills. We also show that a leadership assignment yields smaller total production in the short-run, but, in the long run, it can yield greater production by preventing workers from persistently lowering their skills.

JEL Classification: H41; D21; M54

Keywords: Team production; Voluntary provision of public goods; Leadership; Efficient role assignment; Team-building

*We would like to thank Yukihiro Nishimura, Noriaki Matsushima, and Amihai Glazer for helpful comments and suggestions.

[†]Address: 2-2-8, Osumi, Higashiyodogawa-ku, Osaka 533-8533, Japan. Email: hattori@osaka-ue.ac.jp Tel: +81-6-6328-2431 Fax: +81-6-6328-2655

[‡]Address: 1-7, Machikaneyama, Toyonaka, Osaka 560-0043, Japan. Email: m.yama.hatchi@gmail.com