

Chapter 64

Strategic Human Capital, Team Composition and Project Team Performance: The Role of Flexibility and Experience

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ABSTRACT

This chapter seeks to explore what characteristic of human capital at the individual level links to the performance in project-based organizations (PBOs). In particular, we are interested in the enriching of the individual flexibility construct, which has received minimal investigation from the strategic literature. Moreover, the challenges inherent to this topic are arguably more acute in PBOs, where temporary teams are strategically relevant to the success of the performance and individuals need to be more flexible in order to contribute to high levels of project performance. In particular, we support the idea that the flexibility of members enrolled within teams may influence positively the project performance.

INTRODUCTION

Given the increasing importance of strategic human capital in creating firm competitive advantage, much more theoretical development is necessary in the field. Accordingly, researchers have recognized the need to build flexibility into the firms (e.g., Macduffie, 1995; Milliman, Von Glinow, & Natham 1991; Snow & Snell, 1993). More specifically, prior literature has considered two different types of flexibility: resource flexibility and coordination flexibility (Sanchez, 1995). The first one refers to the extent to which a resource can be applied to a larger range of alternative uses (Lepak, Takeuchi, & Snell 2003; Wright & Snell, 1998), considering the costs and difficulty of switching the use of a resource from one use to another as well as the time required to switch from one use to another. The latter in turn, is refer-

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ring to the extent to which firms can reconfigure, resynthesize, and redeploy the chain of the resources. Moreover, Milliman et al. (1991) define the human resource flexibility as “the capacity to facilitate the organization’s ability to adapt effectively and in a timely manner to changing or diverse demands from either its environment and from the firm itself” (p. 325). These contributions assume more relevance in a dynamic business environment, where firm performance is affected jointly by the inherent flexibilities of the resources available to the firm and by the firm’s ability to apply those resources to alternative courses of action (Ketkar & Sett, 2009). In this context, the concept of flexibility has been considered as the dynamic capability of the firm to pro-act, or to respond to changing competitive environments, developing or maintaining the competitive advantage over time. In addition, Macduffie (1995) demonstrates that organizational flexibility stems from broad skills of employees.

From these contributions, we can notice that the construct of flexibility is considered as a product of the skills of the employees, but no mentions are provided about the active role of individuals on affecting the performance. In order to fill this theoretical gap, we propose to consider individual flexibility as “individual ability to experiment different patterns in terms of situations, experiences, and opportunities” (Raudsepp, 1990, p. 7). Adopting this definition, we consider the individual flexibility as an “experiential competence that can be developed through the experimentation of situations, experiences, and opportunities context-related” (Vicentini, 2013, p. 24).

In particular, we believe that these topics may assume more relevance within project-based organizations (hereafter, PBOs) considered as an emerging organizational form able to integrate diverse and specialized intellectual resources and expertise (DeFillippi & Arthur, 1998; Gann & Salter, 2000; Hobday, 2000). Due to the importance of the human resources within them, we propose to study PBOs moving from the analysis of different skilled people that work within the project, understanding whether their different team composition might be responsible for the project performance. In fact, according to Ancona & Caldwell (1992), while projects represent the conduit, teams are the mechanisms these temporary organizations rely on to be more effective. Consequently, they need to be explored more. Hence, in order to shed more light on these topics, we introduce our research question: Is it better to enroll flexible project team members or inflexible project team members to achieve higher levels of project performance?

We propose to address this research question conducting a study in the television drama industry and in particular in TV series productions because they represent an unexplored temporary project based organization, individually-centred, made up of specialists from a number of professions, who take part in all the steps of the production (Miller & Shamsie, 1996; Soda, Usai, & Zaheer, 2004). These projects are based on more-or-less stable relational networks, which often involve the same group of firms and individuals (Sydow & Staber, 2002).

This chapter will be organized as follows. First, we will review the existing literature on project based organizations, introducing the importance of strategic human capital and individual flexibility within this research field. Second, we will explain the relationship between individual flexibility and project performance. Finally, we will present our research setting and methodology: we will build up a data set from American and Italian TV series productions over 12 years (1996-2008) and we will adopt a pooled time series method to investigate the main relationship between individual flexibility and project performance.

The contribution of this chapter consists in enriching the literature on individual flexibility as well as filling the gap between the strategic human capital literature and that of individual flexibility.

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