

The review of the research on the performance of human capital and team performance in the executive team

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Abstract. The executive team is closely watched by the academic community as a scarce, unimitative resource. In the past 20 years or so, academics have mainly focused on executive team performance, but the results are often lacking in stability. Article reviewed the research venation of executive team, analyzes the limitations of existing research, build up to senior management team of recessive as the source of human capital, team performance as the foothold, cognitive features and behavioral integration as intermediary variable of the new executive team context. The article analyze the executive team contact of human capital source and basic cognitive characteristics of two-dimensional model is put forward, to explore behavior mechanism of integration and team performance for the senior management team to explore out a innovative study path.

1 Introduction

Faced with a rapidly changing and complex internal and external environment, it is very difficult for companies to rely on individual "entrepreneurial stars" or "professional managers" to reverse the tide. The importance of senior management teams will become more and more evident in the crisis. In theory, high-efficiency executive teams have high value, high scarcity, and difficulty mimicry, which are the core competencies of the organization's sustainable development. Practice, in recent years, domestic and foreign companies especially the listed company senior individual leadership behavior anomie and even lead to enterprise crisis events have occurred. Seem to have individual top quality and the development of the enterprise qualification have high correlation, this makes many enterprises relies too heavily on entrepreneur individual, actually has the human capital accumulation, behavior deep integration degree is high, and high team performance of senior management team is the foundation for sustained and stable development of enterprises. The intense competition of the market and the reality of the present management team in China have made it imperative to strengthen the research of the senior management team in our country.

In this study for the senior management team at home and abroad theory of logical analysis and review of existing theory, on the basis of reference for the theory analyzes the deficiencies and limitations, and gives new perspective and framework for subsequent research.

2 Review of existing literature studies

Relating to the senior Management Team (Top Management Team), the first began in the United States at Columbia University, Hambrick and Mason (1984)^[1] proposed the Top echelon of theory, it lays the theoretical basis of executive Team, the theory is that the characteristics of the senior Management Team will affect the organization performance and strategic choice, heterogeneity, and the heterogeneity of the Team members process will affect the competitive behavior of the organization. The basic theoretical framework is shown in fig1:

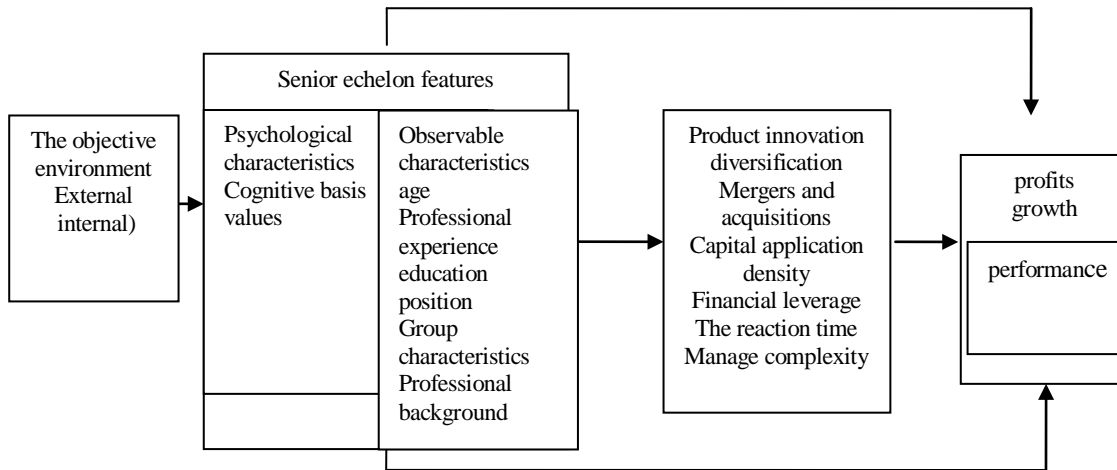


Fig1 high-level team theory model

Hambrick and Mason (1984), the organization objective environmental impact characteristics of top echelon, facing in the same way, the objective environment affect the top echelon characteristics also influence the strategic decision of the senior management team, senior management team will make a consistent with their cognitive basis or management orientation of decisions, including psychological characteristics, values and other personality traits, strong recognition model) and observed experience. This theory is the most critical biography of executive team characteristics (such as age, education, background, characteristics of entrance) and closely related to the psychological and cognitive factors, and these high-level features are decisive elements of strategic decisions, and through the strategic decisions affect organizational performance^[2].

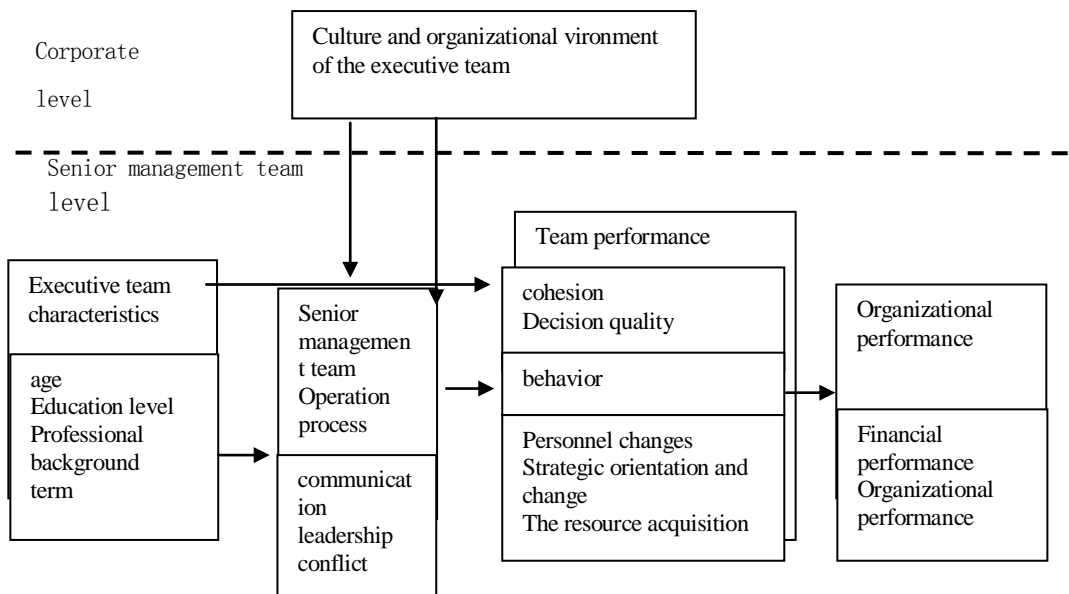


Fig 2 high-level management team operating efficiency model

Mason a. Carpenter, Geletkanycz and Sanders (2004) put forward A revised model for the research on executive team theory since 1984 (see fig3). The Carpenter's revision model has three features: one is the main organization and the environment leading variables that comprise the executive team; The second is to add five mediations/regulatory variables^[3]; Three is a measure of organizational performance in terms of strategy, executive team, board, performance, etc. The model is shown in figure2:

Cui Song, Hu Bei (2007) 2007 years ago were reviewed the literature of executive team, think the current research in the original statistical characteristics, strategic choice and organizational performance relationship on the basis of joined the psychological characteristics, decision-making process and environmental factors, formed the extended top echelon theory "the basic research framework"^[4], as shown in fig3:

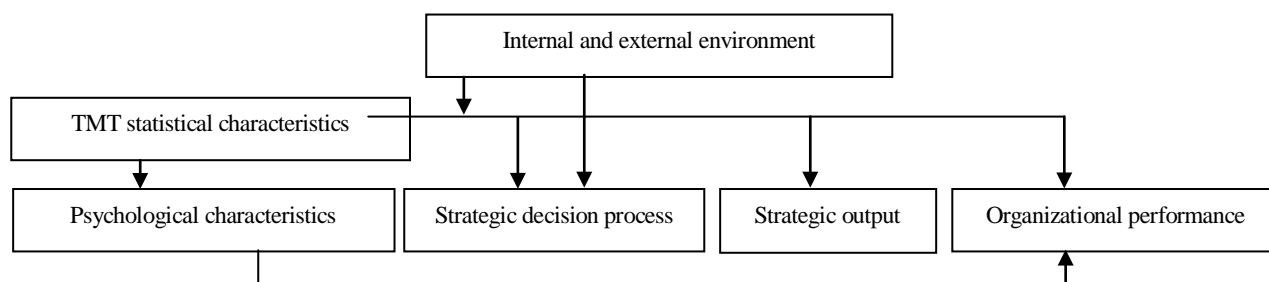


Fig3 The current executive team theory research framework

3 Existing Research Limitations

3.1 The underlying human capital of performance is not reflected

Knowledge economy era, the status of human capital in enterprise value creation is more and more prominent, enterprise competition advantage is, in fact, human capital and material capital in a game equilibrium. From the perspective of knowledge elements, human capital is divided into the recessive dominance of human capital and human capital, the recessive manpower capital from the dominant human capital has the following important features:

Latent human capital source and basic, dominance is through to the executives of the value of human capital investment, formed by including the knowledge, skills, training of senior executives spending and health spending, etc. Implicit human capital, human capital is a kind of potential hidden in the human brain, in addition to a general and the scarcity of the value of human capital, and the integral sex of the main body characteristic, also has not followed, is the foundation of enterprise core competitiveness, is the source of innovation, is the key factor of economic growth and improvement of the enterprise^[5].

Latent human capital value-added, Lucas thinks with internal effect and external effect of human capital, the former refers to the human capital bring value-added benefits for personal or family; The latter can spread from one person to another person, from the old products to the new product, from family members of the old to the new members, and then make the production increasing returns. This is the result of an increasing return on the external effect of human capital, which makes human capital the engine of growth.

In the past 20 years, from the initial validation of the research on TMT population characteristics based on upper echelon theory of population characteristics and the relationship between corporate performance and development to the expansion of upper echelon theory and perfect[3], the executive team biographical research is very rich, but on the ability of human capital, innovation spirit and loyalty to the enterprise, cognitive style and value system of the recessive research of human capital is not. Therefore, it is the research effort of the current management team that strengthens the research on the hidden human capital and regards it as the source of performance^[6].

3.2 Lack of research on the performance of the executive team team

Review the past more than 20 years in the senior management team characteristics and the relationship between enterprise performance theory research progress, combined with the senior management team research of mentioned above framework we found a total of about three types: one is the direct study the relationship between the executive management team characteristics and firm performance; Second, the mechanism or process that aims to reveal the composition or difference of the management team of the senior management. Third, the relationship between the characteristics of the executive team and the performance of the organization under the external organizational environment. At present a large number of senior management team research focused on the biographical characteristics and all kinds of financial performance and strategy on the relationship between the output and the senior management team of team performance in the way of exploration. Senior management team has character of scarcity, difficult to imitation, irreplaceability, and

fundamentally different from general team, only the senior management team improved team performance, will have outstanding performance. Such as how to improve team adaptability under uncertainty environment, the rapid economic development in how to keep the team's development situation, how to improve the executive team member satisfaction, and so on, these to team performance in the existing literature is the important research content in rare.^[7]

3.3 The research on mediation variables is inadequate

With implicit human capital as the source, executive team performance as the foothold, the author thinks that the cognitive characteristics and behavior integration as intermediary variables, it constitutes the executive team new research framework.

3.4 Cognitive characteristics

At first by the senior management team theory represents the characteristics of "cognitive style of top management, risk preference and psychological characteristics such as values" assumption, and suffer from poor availability of personal information as well as the inherent psychological research is not the necessity of, for less exploration team cognitive process. Although existing research reveals the psychological characteristics and the strategic decision-making process and the correlation of enterprise performance[6][7], but the executive team cognition model based on implicit human capital is still unexplored areas of academic.

3.5 Integration of behavior

It is because of the heterogeneity of the cognitive characteristics of executive team members that the internal workings of the executive team have been widely watched by scholars since the 1990s. In previous studies, academics have consistently emphasized the importance of team processes in team research (Guzzo & Dickson 1996, Hackman 1983). Inside the unlock team operation process in the study of the "black box", scholars from pure research team communication, team work and team conflict begin to integrate different elements operation process, thus puts forward the "Integration" (Behavioral Integration) this construct. In terms of the definition of behavioral integration, Hambrick (1994) points out that the team's behavior integration is the collective interaction of the members of the senior management team in thought and behavior. Hambrick in 2007 review of the theory of executive team are summarized research core of four types of situational variables: configuration management degrees of freedom, work requirements, power status and behavior integrated research, and points out that the current research of these variables is not enough.

Executive team cognitive heterogeneity characteristics exist, so the senior management team for actions integration, integration of behavior plays a positive role to increase the efficiency of the team, the integration of senior team usually have high behavior can make better decisions and show better team performance. The cognitive characteristics are the leading variables of behavioral integration, and the team performance is the postpositional variable of the integration of behavior

4 New Research Framework and Research Prospects

4.1 New research framework is proposed

From this overview, the author thinks that the executive team can do the following:

This research framework that has hidden human capital source, is the foundation of performance, so to explore executive team implicit human capital accumulation, to explore the implicit human capital accumulation model of innovation value. Executive team compared with ordinary team has the characteristics of its uniqueness and an imitation, so the team performance as the foothold, and to explore the performance of senior management team to measure dimensions, at the same time on the cognitive characteristics and behavior integration as intermediary variables, to study the mechanism of action between four. The framework of this research is then analyzed.

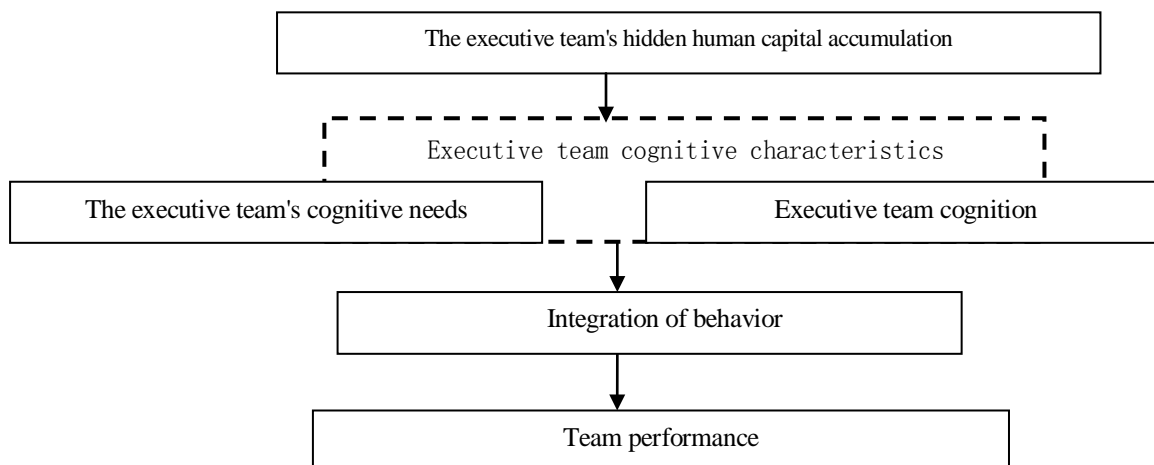


Fig4.The new framework for research on the relationship between human capital and team performance

4.2 Source of hidden human capital

The executive team's hidden human capital should be studied in the following areas:

The manifestation of the hidden human capital of the executive team

We begin with the classification of human capital exploration, human capital has the different classification methods, according to the American scholar t. w. schultz is "the ability to cope with the unbalanced value" in the analysis, to distinguish the human capacity of five has economic value, respectively is: learning ability, ability to achieve meaningful work, ability to engage in recreational sports activities, creativity and the ability to deal with the disequilibrium. Li zhongmin, a domestic scholar, based on this, divides human ability into four kinds: general ability, namely basic ability; The ability to accomplish certain tasks, such as production skills; Organizational management capability; Resource allocation capabilities. For the classification of human capital, it should also be from the perspective of human capital as a knowledge elements, namely human capital and human capital should also have a dominant recessive manpower capital of. Department is strong and Li Weiliang (2005) argue that human capital is to point to exist in the intelligence of employees or organization, organization structure, job know-how, innovation process, value system and so on.

Analyses the research of scholars at home and abroad, the author thinks that the senior management team human capital can be divided into dominant human capital and human capital and human capital refers to the dominant age, professional experience, level of education, the social economy foundation, economic status and group characteristics observed variables, implicit human capital refers to the ability of human capital, work enthusiasm, professional reputation, social status, enterprising, innovative spirit and to enterprise's loyalty, motivation, cognitive style, value system and risk appetite not easily observed variables; Compared with the dominant human capital, the hidden human capital is the source and the foundation of performance.

The dynamic accumulation model and enterprise system of the executive team's hidden human capital

Human capital is a kind of accumulation within a life of executive, can be used multiple times and transfer and value-added potential capital, its value function is totally dependent on the degree of implicit human capital owners work attitude and loyalty to the enterprise, job performance can assess executives to give full play to the creativity and degree, can stimulate the potential of executive incentive system. In addition, after the hidden human capital formation, the role of play to expectations by executives effectively the influence of working life, to the degree of role play is restricted by the organization environment, corporate governance structure and incentive system in human capital to the recessive dominant in the process of the transformation of human capital is the key influence factors. Therefore, the research on the dynamic accumulation model and enterprise

system of the executive team is of great value.

The executive team's implicit human capital accumulation is a mechanism for team performance

In recent years, some scholars have begun to study the combination of human capital and executive teams. In 2008, professor at duke university, Rebecca Zarutskie also points out the importance of the senior management team human capital research, he used the first fund (first - time fund) data to study the senior management team human capital in venture capital market predict the performance of funds. Kevin Schick (2008) explores the impact of human capital on the portfolio and investment performance of the executive team in venture capital firms. These studies are based on the importance of human capital research executive team, but most of these studies didn't realize that the recessive manpower capital and its accumulation process of the dynamic change process, carried by the more did not break the executive team recessive manpower capital of team performance mechanism of black box.

In general, it is the future research direction to develop the hidden human capital statistics scale and study its effect mechanism. It is a practical and innovative way to study the performance of team team at the source of hidden human capital.

Take team performance as a foothold

The key to team performance is the measurement of team performance.

In the process of executive team, the importance of the team itself is self-evident, first of all, to find the performance of the team of decision-making variables such as efficiency, effectiveness, team work ability, etc. The complex environment in the global economic and political environment, especially met the current global financial crisis, the suitability of the senior management team, judgment, reaction ability is especially important to the development of enterprises. A can in a rapidly changing monk unpredictable environment make instant reaction group, will be able to seize the opportunity, determine the goal, the rapid growth, therefore, team adaptability should be as a measure of team performance.

In order to adapt to complex external environment, the senior management team should be a dynamic and open system, in order to avoid the knowledge structure of the senior management team and long term aging may lose innovation consciousness. The development of the team in unstable equilibrium, and even the same senior team members the cognitive style, value orientation will not remain static, on the contrary will change as time development, so the team development is a measure of team performance.

The other team members' satisfaction and growth and team's performance is very important indicators, on executive team team performance measure of the scale of the prepositive and choose the need to be further explored.

The intermediary variables of the executive team's hidden human capital and team performance relationships

Implicit human capital is not directly related to team performance, as explained in the previous article, the author thinks.

According to the implicit human capital definition, the accumulation of hidden human capital in the executive team directly influences the mental model. So cognitive characteristics as the posterior variable of the implicit human capital. With cognition and cognitive ability for two variables to construct a two-dimensional model study of cognitive characteristics, study to strengthen the executive cognitive needs, improve the cognitive approach, the senior management team for the future research puts forward a new research idea. As shown in figure6:

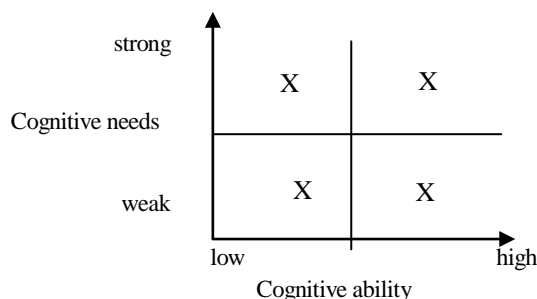


Fig5.A two-dimensional model of the cognitive characteristics of an executive team

Note: the two dimensional model of the cognitive characteristics of the senior management team will be presented in future research.

Executive team cognitive features integration condition, will directly influence its behavior with uniqueness and an imitative cognition characteristics of the behavior of the executive team integration status directly affect the team performance, so the executive team cognitive characteristics as leading factor of integration of behavior, behavior integration as a prerequisite for the team performance factors. The role of invisible human capital, cognitive characteristics, behavioral integration, and team performance is the direction and content of future executive team research.

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