

ALWAYS CHANGE A WINNING TEAM?

RESOURCE RE-CONFIGURING IN HUMAN ASSET INTENSIVE FIRMS



Abstract: This paper examines when human asset intensive firms re-configure their teams for incoming client projects, and how clients impact on the firm's re-configuration decision. Making use of micro-data in the UK M&A legal services industry, we find that law firms persistently re-configure lawyer teams for new M&A mandates, forgoing known synergies of tried-and-tested teams. Yet, we also find that a firm's re-configuration decision is also influenced by the attributes of their clients. Specifically, M&A law firms are more likely to rely on tried-and-tested lawyer teams when providing services to existing clients, especially when a lawyer-team has served those clients previously. Further, the attractiveness of the client—in terms of size and profitability—also decreases the likelihood of re-configuration. Our paper contributes to the literatures on strategic human capital and the micro-foundations of the resource based view.

Bio: John Mawdsley received his Ph.D. in Strategic Management from the University of Illinois at Urbana-Champaign. His primary research interests seek to understand the impacts for strategy and performance of professional service firms from factors related to those firms' professional workforce and client relationships. More generally, John is interested in topics related to strategic human capital, employee mobility, and value creation and value capture in vertical exchange relationships. His PhD dissertation has been selected as a finalist for the BPS division 2016 Outstanding Dissertation Award, and his work has been either nominated or shortlisted for the Strategic Management Society's Best Conference Paper Award (2016 and 2014).