Exploring Differentiated Talent Management From Organisational And Employee Perspectives
Two Studies From The GCC Banking Sector

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King's College London

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Exploring Differentiated Talent Management From Organisational And Employee Perspectives: Two Studies From The GCC Banking Sector

Lamees Al Haidari


King’s College London, September 2015
Abstract

The aim of this thesis is to examine an emerging sub-field within the broad area of HRM: talent management (TM). Since its emergence, TM has been described as strategically important, yet lacking in conceptual clarity (Lewis & Heckman, 2006). More precisely, it is a little unclear what talent is and how talent are managed differently from the rest of the workforce. Thus, the evaluation of the effectiveness of TM in relation to outcomes such as employees’ attitudes and behaviours remains uncertain. For this reason, this dissertation explores a range of employees’ responses to the differentiated talent management approach in the banking sector of Gulf Cooperation Council countries and the mechanisms behind why these reactions occur. By first exploring TM in the GCC countries; then investigating different sources of talent identification within organisations and how these might influence key employee outcomes, namely affective commitment, intention to leave and extra-role behaviours.

Theoretical propositions are tested to explore the psychological mechanisms underlying employees’ responses to TM and under what conditions these may vary, drawing on social-exchange theory (Blau, 1964), social-cognitive theory (Bandura, 1982) and organisational justice theory (Greenberg, 1990). The findings indicate that social exchange theory accounts for employee outcomes more than social-cognitive theory. Additionally, procedural justice plays a significant role in buffering the TM effects.

This thesis offers four contributions to the TM field. First it provides a wider exploration of talent identification, using a multiple talent identification sources. Second, it tests for key employee outcomes that received limited empirical investigation. Third, it draws on two theories that might explain how a differentiated TM approach leads to its proposed effects. Finally, it utilises organisational justice theory to show how to neutralise its effects for all employees.
Acknowledgment

The completion of this thesis is one of my goals that would not have been possible without the support of my family, friends and supervisors and so I would like to start by thanking the key individuals who made this dream come true.

First, I would like to dedicate this thesis to my father, Abdulrahman, who I am deeply fortunate to have in my life not only as a father but also as a friend and a role model. I genuinely thank him for always being there with his love, support and care throughout my life.

Second my deepest gratitude to my first and great supervisor Mike Clinton, who has been an amazing and patient mentor, supportive supervisor and for his valuable insights and experience that helped me progress, learn and develop throughout my PhD journey. I sincerely thank him.

Finally, I would like to thank my second supervisor, Riccardo Peccei, for his insights, kind support and comments at critical times throughout this thesis. Riccardo has been generous with his time and support that I very much appreciate.

Lamees, September 2015
Contents

1. CHAPTER ONE: INTRODUCTION ........................................................................... 11
   1.1 INTRODUCTION ............................................................................................ 11
   1.2 A BRIEF HISTORY OF TALENT MANAGEMENT ............................................. 12
   1.3 RESEARCH CONTEXT .................................................................................. 15
   1.4 RESEARCH DETAILS .................................................................................. 18
   1.5 STRUCTURE OF THE THESIS ................................................................... 20

2. CHAPTER TWO: TALENT MANAGEMENT LITERATURE REVIEW ............ 23
   2.1 INTRODUCTION ............................................................................................ 23
   2.2 A SELECTIVE REVIEW OF TALENT MANAGEMENT LITERATURE 2001-2013 ........ 25
      2.2.1 The War for Talent: Michaels, Handfield-Jones, & Axelrod (2001) ............ 25
      2.2.2 Talent Management: A Critical Review: Lewis & Heckman (2006) ............ 27
      2.2.3 Talent Management Best Practice: Stahl, Björkman, Farndale, Morris, Paauwe, Stiles, Trevor, & Wright, (2007) .................................................. 30
      2.2.4 Talent on Demand: Cappelli (2008) ......................................................... 32
      2.2.5 Strategic Talent Management: A Review and Research Agenda: Collings and Mellahi (2009) ................................................................. 35
      2.2.6 Talent Management and HRM in Multinational Companies in Beijing: Definitions, Differences and Drivers: Iles, Xin and Preece (2010) ....................... 37
      2.2.7 A Review of Talent Management: ‘Infancy or Adolescence’: Thunnissen, Boselie & Fruytier (2013a; 2013b) .................................................... 39
      2.2.8 Section Conclusion .............................................................................. 43
   2.3 A SELECTIVE REVIEW OF TALENT MANAGEMENT LITERATURE 2013-2015 .......... 44
      2.3.1 Talent Or Not? Employee Reactions to Talent Identification: Björkman, Ehrnrooth, Mäkelä, Smale & Sumelius (2013) ............................................ 44
      2.3.2 The Role of Talent-Perception Incongruence in Effective Talent Management: Sonnenberg, van Zijdervej & Brinks (2014) ............................................. 46
      2.3.3 Talent Management And Organisational Justice: Employee Reactions To High Potential Identification: Gelens, Hofmans, Dries & Peperman (2014) ............ 48
      2.3.5 Section Conclusions ........................................................................... 53
   2.4 EXISTING DEFINITIONS / CONCEPTUALISATIONS OF TALENT MANAGEMENT .... 54
      2.4.1 The Talent in Talent Management ............................................................ 56
         2.4.1.1 Historical View of the Word Talent ......................................................... 56
         2.4.1.2 Talent – Innate or Acquired ................................................................. 57
         2.4.1.3 Talent as Object versus Talent as Subject Approaches ....................... 60
      2.4.2 The Management in Talent Management .............................................. 64
         2.4.2.1 Talent Identification ......................................................................... 64
         2.4.2.2 Differentiation in Talent Management ............................................... 70
         2.4.2.3 Differentiated Talent Training and Development .................................. 71
         2.4.2.3.2 Differentiated Commitment Management ......................................... 73
      2.4.2.3 Section Conclusions ......................................................................... 74
   2.5 CHAPTER CONCLUSIONS: ........................................................................ 75

3. CHAPTER THREE: THEORETICAL REVIEW .................................................. 78
   3.1 INTRODUCTION ............................................................................................ 78
   3.2 EFFECTS OF DIFFERENTIATED TALENT MANAGEMENT ON ORGANISATIONAL LEVEL OUTCOMES ......................................................... 78
      3.2.1 Differentiated Talent Management - Positive Effects ............................. 78
      3.2.2 Differentiated Talent Management - Negative Effects ......................... 82
   3.3 DIFFERENTIATED TALENT MANAGEMENT OUTCOMES FOR PERFORMANCE AT THE INDIVIDUAL LEVEL .......................................... 85
      3.3.1 The Ability, Motivation and Opportunity Framework ............................ 85
      3.3.2 Goals Setting Theory ............................................................................ 86
      3.3.3 Expectancy Theory ............................................................................... 87
      3.3.4 Section Conclusions ............................................................................ 88
CHAPTER FIVE: STUDY ONE PROCEDURES AND FINDINGS

5.1 INTRODUCTION TO STUDY ONE .................................................. 145

5.1.1 Specific Aims of Study One .................................................. 145
5.1.2 Sample and Procedures For Study One .................................................................147
5.1.2.1 Sample and Access..........................................................................................148
5.1.2.2 Access............................................................................................................149
5.1.2.3 Pilot Work........................................................................................................152
5.1.2.4 Development of The Open-Ended Questionnaires ........................................152
5.1.3 Study One Procedures.........................................................................................154
5.1.3.1 Study One analysis.........................................................................................156
5.2 STUDY ONE FINDINGS ..........................................................................................157
5.2.1 How is talent defined in the banking sector of the GCC countries? ............157
5.2.1.1 Talent as object - characteristics of people ................................................157
5.2.1.2 Talent as subject - some people...................................................................159
5.2.2 How is TM defined in the banking sector of the GCC countries? ...............162
5.2.2.1 TM and its connection to HRM.................................................................162
5.2.2.2 TM as a Differentiated Approach...............................................................164
5.2.3 Differentiated Talent Management Practices ..................................................165
5.2.3.1 Differentiated Talent Identification ..............................................................165
5.2.3.2 Differentiated Talent Development and Training .........................................169
5.2.3.3 Differentiated Talent Retention.....................................................................172
5.3 CHAPTER CONCLUSIONS ....................................................................................176

6 CHAPTER SIX: STUDY TWO, PART A: PROCEDURES & FINDINGS ........178
6.1 INTRODUCTION ..................................................................................................178
6.1.1 Study Two Aims and Model.............................................................................178
6.1.2 Different Methods of Talent Identification ......................................................179
6.1.2.1 Existing Operationalisation of Talent Identification ....................................180
6.1.2.2 Study Two - Sources of Talent Identification ..............................................183
6.1.2.2.1 Formally Informed Talent (FIT) .................................................................183
6.1.2.2.2 Self-Perceived Talent (SPT) .....................................................................185
6.1.2.2.3 Talent Development Programme (TDP) ...............................................186
6.1.3 Talent Identification and its Association with Employee Outcomes ............187
6.1.3.1 Social Exchange Theory Related Outcomes ..............................................188
6.1.3.1.1 Leader-Member Exchange (LMX) .............................................................188
6.1.3.1.2 Perceived Talent Practices (PTP) ..............................................................189
6.1.3.2 Social Cognitive Theory Related Outcomes ..............................................190
6.1.3.2.1 Occupational Self-Efficacy (OSE) ..............................................................191
6.1.3.2.2 Organisation-Based Self-Esteem (OBSE) ...............................................191
6.1.3.3 Organisational Justice Related Outcomes ...................................................192
6.1.3.3.1 Distributive Justice (DJ) ........................................................................193
6.1.3.3.2 Procedural Justice (PJ) ...........................................................................194
6.1.3.4 Organisational Related Outcomes ..............................................................194
6.1.3.4.1 Affective Commitment (AC) ....................................................................195
6.1.3.4.2 Intention to Leave (ITL) ........................................................................196
6.1.3.4.3 Extra-Role Behaviour (ERB) ...................................................................197
6.2 DIFFERENT SOURCES OF TALENT IDENTIFICATION, DIFFERENT EFFECTS ....199
6.3 INCONGRUENCE IN TALENT IDENTIFICATION .............................................201
6.4 STUDY TWO – METHODOLOGY AND PROCEDURES ..................................202
6.4.1 Context of Study Two .....................................................................................202
6.4.2 Research Design .............................................................................................203
6.4.2.1 Study Two - Procedures .............................................................................203
6.4.2.2 Sample Characteristics ...............................................................................204
6.4.2.3 Study Two - Measures and Assessment .....................................................206
6.4.2.3.1 Talent Identification Sources ...................................................................206
6.4.2.3.1.1 Self-Perceived Talent .................................................................................206
6.4.2.3.1.2 Formally Informed Talent .................................................................207
6.4.2.3.1.3 Talent Development Programme .......................................................207
6.4.2.3.1.4 Leader-Member Exchange .................................................................207
6.4.2.3.1.5 Perceived Talent Management Practices Measures ................................208
6.4.2.3.1.6 Occupational Self-Efficacy ...............................................................210
6.4.2.3.1.7 Organisation-Based Self-Esteem ............................................................211
6.4.2.3.1.8 Organisational Justice (DJ and PJ) .....................................................211
6.4.2.3.1.9 Affective Commitment .........................................................................212
6.4.2.3.1.10 Intention To Leave .................................................................................213
6.4.2.3.1.11 Extra-Role Behaviour .......................................................................213
6.4.2.3.1.12 Control Variables .............................................................................214

Age ............................................................................................................................215
8.5 Research Conclusions ...................................................................................................................... 314

9 Reference List ........................................................................................................................................ 317

10 Appendices ......................................................................................................................................... 330

10.1 Information Sheet .............................................................................................................................. 330
10.2 Study One Consent Form .................................................................................................................. 331
10.3 Study One Questionnaires ................................................................................................................ 332

Tables

Table 2.1 : Synopsis of Talent Management Best Practice (Stahl et al., 2007) .................................................. 31
Table 2.2: Definitions of TM Found in the HRM Literature (Source: Dries, 2013a) .......................................... 55
Table 2.3 : Summary of Important Approaches to Talent and Their Main Characteristics (Source: Meyers et al., 2013) .................................................................................................................. 58
Table 2.4 : Terms Commonly Associated with ‘Talent-as-Object’ in the Literature, (Source: Gallardo-Gallardo et al., 2013) .................................................................................................................. 61
Table 4.1 : Local and Foreign Populations in GCC Countries, (Source: Najar, 2013, Via Sidani & Al Ariss, 2013) .................................................................................................................. 119
Table 5.1 : Study1 Sample Characteristics .................................................................................................. 150
Table 5.2 : Interview Questions for Study One ............................................................................................ 152
Table 6.1 : Banks Where Participants in Study Two Are Employed, According to Country ....................... 203
Table 6.2 : Study Two Sample Characteristics ............................................................................................ 204
Table 6.3 : LMX Items and Factor Loadings ............................................................................................... 208
Table 6.4 : PTP Frequencies ...................................................................................................................... 209
Table 6.5 : OSE Items and Factor Loadings .............................................................................................. 211
Table 6.6 : OBSE Items and Factor Loadings .............................................................................................. 211
Table 6.7 : PJ Items and Factor Loadings .................................................................................................... 212
Table 6.8 : DJ Items and Factor Loadings .................................................................................................... 212
Table 6.9 : AC Items and Factor Loadings .................................................................................................... 213
Table 6.10 : ITL Items and Factor Loadings ............................................................................................... 213
Table 6.11 : ERB ‘Help’ Items and Factor Loadings ..................................................................................... 214
Table 6.12 : ERB ‘Voice’ Items and Factor Loadings .................................................................................... 214
Table 6.13 : Fit Indices and Cronbach’s Alpha ............................................................................................. 217
Table 6.14 : Fit Indices for Multi-Measure Models ....................................................................................... 219
Table 6.15 : Descriptive Statistics and Zero-Order Correlations ................................................................ 222
Table 6.16 : Crosstabs Assessment of the Relationships between Sources of Talent Identification and Sample Characteristics .................................................................................................................. 224
Table 6.17 : Frequencies of Fit, SPT, TDP from the Total Sample .............................................................. 225
Table 6.18 : Crosstab Assessment of the Relationship between Fit and SPT ................................................ 226
Table 6.19 : Crosstab Assessment of the Relationship between Fit and TDP ............................................. 226
Table 6.20 : Crosstab Assessment of the Relationship between TDP and SPT .......................................... 227
Table 6.21 : Crosstab Assessment of the Relationship between Fit, SPT and TDP ....................................... 228
Table 6.22 : The Relationship between Fit and Employee Outcomes With and Without the Control Variables .................................................................................................................. 230
Table 6.23 : The Relationship between SPT and Employee Outcomes With and Without Control Variables .................................................................................................................. 232
Table 6.24 : The Relationship between TDP and Employee Outcomes With and Without the Control Variable .................................................................................................................. 234
Table 6.25 : Talent Sources (Fit, SPT, TDP) and Employee Outcomes With and Without the Control Variables .................................................................................................................. 236
Table 6.26 : Talent Identification Sources and Incongruence ..................................................................... 242
Table 7.1 : Indirect Effect via LMX on AC With and Without Control Variables ........................................ 260
Table 7.2 : Indirect Effect via LMX on ITL With and Without Control Variables ......................................... 260
Table 7.3 : Indirect Effect via LMX on ERB With and Without Control Variables ....................................... 261
Table 7.4 : Indirect Effect via LMX on ERBV With and Without Control Variables ..................................... 261
Table 7.5 : Indirect Effect via PTP on AC With and Without Control Variables ........................................... 263
Table 7.6 : Indirect Effect via PTP on ITL With and Without Control Variables ........................................... 263
Table 7.7 : Indirect Effect via PTP on ERB With and Without Control Variables .......................................... 264
Table 7.8 : Indirect Effect via PTP on ERBV With and Without Control Variables ....................................... 264
Table 7.9 : Indirect Effect via DJ on AC With and Without Control Variables .............................................. 265
TABLE 7.10: INDIRECT EFFECT VIA DJ ON ITL WITH AND WITHOUT CONTROL VARIABLES ........................................... 265
TABLE 7.11: INDIRECT EFFECT VIA DJ ON ERBH WITH AND WITHOUT CONTROL VARIABLES ........................................... 266
TABLE 7.12: INDIRECT EFFECT VIA DJ ON ERBV WITH AND WITHOUT CONTROL VARIABLES ........................................... 266
TABLE 7.13: INDIRECT EFFECT VIA SET ON AC WITH AND WITHOUT CONTROL VARIABLES ........................................... 267
TABLE 7.14: INDIRECT EFFECT VIA SET ON ITL WITH AND WITHOUT CONTROL VARIABLES ........................................... 268
TABLE 7.15: INDIRECT EFFECT VIA SET ON ERBH WITH AND WITHOUT CONTROL VARIABLES ........................................... 269
TABLE 7.16: INDIRECT EFFECT VIA SET ON ERBV WITH AND WITHOUT CONTROL VARIABLES ........................................... 270
TABLE 7.17: INDIRECT EFFECT VIA SPT ON AC WITH AND WITHOUT CONTROL VARIABLES ........................................... 272
TABLE 7.18: INDIRECT EFFECT VIA SPT ON ITL WITH AND WITHOUT CONTROL VARIABLES ........................................... 272
TABLE 7.19: INDIRECT EFFECT VIA SPT ON ERBH WITH AND WITHOUT CONTROL VARIABLES ........................................... 273
TABLE 7.20: INDIRECT EFFECTS VIA SPT ON ERBV WITH AND WITHOUT CONTROL VARIABLES ........................................... 273
TABLE 7.21: INDIRECT EFFECT VIA OSE ON AC WITH AND WITHOUT CONTROL VARIABLES ........................................... 274
TABLE 7.22: INDIRECT EFFECT VIA OSE ON ITL WITH AND WITHOUT CONTROL VARIABLES ........................................... 274
TABLE 7.23: INDIRECT EFFECT VIA OSE ON ERBH WITH AND WITHOUT CONTROL VARIABLES ........................................... 275
TABLE 7.24: INDIRECT EFFECT VIA OSE ON ERBV WITH AND WITHOUT CONTROL VARIABLES ........................................... 275
TABLE 7.25: INDIRECT EFFECT VIA OBSE ON AC WITH AND WITHOUT CONTROL VARIABLES ........................................... 276
TABLE 7.26: INDIRECT EFFECT VIA OBSE ON ITL WITH AND WITHOUT CONTROL VARIABLES ........................................... 277
TABLE 7.27: INDIRECT EFFECT VIA OBSE ON ERBH WITH AND WITHOUT CONTROL VARIABLES ........................................... 277
TABLE 7.28: INDIRECT EFFECT VIA OBSE ON ERBV WITH AND WITHOUT CONTROL VARIABLES ........................................... 277
TABLE 7.29: INDIRECT EFFECT VIA SCT ON AC WITH AND WITHOUT CONTROL VARIABLES ........................................... 278
TABLE 7.30: INDIRECT EFFECT VIA SCT ON ITL WITH AND WITHOUT CONTROL VARIABLES ........................................... 279
TABLE 7.31: INDIRECT EFFECT VIA SCT ON ERBH WITH AND WITHOUT CONTROL VARIABLES ........................................... 279
TABLE 7.32: INDIRECT EFFECT VIA SCT ON ERBV WITH AND WITHOUT CONTROL VARIABLES ........................................... 280
TABLE 7.33: INDIRECT EFFECT VIA HYBRID MODEL WITH AND WITHOUT CONTROL VARIABLES ........................................... 283
TABLE 7.34: PJ MODERATION EFFECT RESULTS (STANDARDISED) ................................................................. 286

Figures

FIGURE 2.1 STRATEGIC TM (COLLINGS & MELLAHI, 2009) ........................................... 36
FIGURE 2.2: PERSPECTIVES ON TALENT MANAGEMENT (SOURCE: ILES, XIN, AND PREECE, 2010) ..................................................... 38
FIGURE 2.3: MODEL FROM BJÖRKMAN ET AL. (2013) ............................................................... 45
FIGURE 2.4 MODEL FROM SONNENBERG ET AL (2014) ................................................................. 46
FIGURE 2.5: PERCEIVED ORGANISATIONAL JUSTICE IN THE LINK BETWEEN AN EMPLOYEE’S IDENTIFICATION AS A HIGH POTENTIAL (OR NOT), JOB SATISFACTION AND WORK EFFORT (SOURCE: GELENS ET AL., 2014) 48
FIGURE 2.6: DECISION MATRIX BY SOMAYA AND WILLIAMSON (2011) ........................................... 73
FIGURE 3.1: THE HR ARCHITECTURAL MODEL (SOURCE: LEPAK & SNELL, 1999) ............................................................... 80
FIGURE 4.1: EXPLORATORY SEQUENTIAL MIXED METHODS FROM CRESWELL, J (2014) ............................................................... 125
FIGURE 5.1: BANK 9 – TALENT CHARACTERISTICS ................................................................. 160
FIGURE 5.2: GUIDELINE FOR LINE MANAGERS (SOURCE BANK 9): ............................................................... 167
FIGURE 5.3: NINE-BOX-GRID (FROM, BANK 9) ................................................................. 168
FIGURE 5.4 EXAMPLE OF PERSONAL DEVELOPMENT PLAN, (SOURCE, BANK 9) ............................................................... 168
FIGURE 5.5: CAREER DEVELOPMENT PLAN EXAMPLE (SOURCE, BANK 5) ............................................................... 171
FIGURE 6.1: STUDY TWO EXPLORATORY MODEL: ............................................................... 179
FIGURE 6.2: COMPARED MEANS PJ ............................................................... 244
FIGURE 6.3: COMPARED MEANS DJ ............................................................... 244
FIGURE 7.1: STUDY TWO ANALYTICAL MODEL: ............................................................... 250
FIGURE 7.2: SET MODEL ............................................................... 259
FIGURE 7.3: SCT MODEL ............................................................... 271
FIGURE 7.4: SET & SCT HYBRID-MODEL ............................................................... 282
FIGURE 7.5: PJ AS A MODERATOR: ............................................................... 285
FIGURE 7.6: PJ MODERATES THE RELATIONSHIP BETWEEN FIT AND AC ............................................................... 286
FIGURE 7.7: PJ MODERATES THE RELATIONSHIP BETWEEN FIT AND ERBV ............................................................... 287
FIGURE 7.8: PJ MODERATES THE RELATIONSHIP BETWEEN FIT AND ERBH ............................................................... 288
### Table of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>AC</td>
<td>Affective commitment</td>
</tr>
<tr>
<td>ANOVA</td>
<td>Analysis of variance</td>
</tr>
<tr>
<td>CFA</td>
<td>Confirmatory factor analysis</td>
</tr>
<tr>
<td>CFI</td>
<td>Comparative fit index</td>
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<tr>
<td>CIPD</td>
<td>Chartered Institute of personnel and Development</td>
</tr>
<tr>
<td>CMV</td>
<td>Common method variance</td>
</tr>
<tr>
<td>DF</td>
<td>Degrees of freedom</td>
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<tr>
<td>DJ</td>
<td>Distributive Justice</td>
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<tr>
<td>ERB</td>
<td>Extra role behaviour</td>
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<tr>
<td>ERBH</td>
<td>Extra role behaviour Help</td>
</tr>
<tr>
<td>ERBV</td>
<td>Extra role behaviour voice</td>
</tr>
<tr>
<td>FIT</td>
<td>Formally informed talent</td>
</tr>
<tr>
<td>GCC</td>
<td>Gulf Cooperation Council</td>
</tr>
<tr>
<td>GTM</td>
<td>Global Talent Management</td>
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<tr>
<td>HRM</td>
<td>Human Resource Management</td>
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<tr>
<td>IHRM</td>
<td>International Human Resource Management</td>
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<td>ITL</td>
<td>Intention to leave</td>
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<td>KSA</td>
<td>Kingdom of Saudi Arabia</td>
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<tr>
<td>LMX</td>
<td>Leader–member exchange</td>
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<td>OBSE</td>
<td>Organisation based-self–esteem</td>
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<td>OSE</td>
<td>Occupational Self-efficacy</td>
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<td>Procedural Justice</td>
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<td>PTP</td>
<td>Perceived talent practices</td>
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<td>RMSEA</td>
<td>Root mean square error of approximation</td>
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<tr>
<td>SCT</td>
<td>Social Cognitive theory</td>
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<td>SE*T</td>
<td>Social Exchange Theory</td>
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<tr>
<td>SHRM</td>
<td>Strategic Human Resource Management</td>
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<tr>
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<td>Standardised root mean square</td>
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<td>TDP</td>
<td>Training development programme</td>
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<tr>
<td>TM</td>
<td>Talent Management</td>
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<tr>
<td>UAE</td>
<td>United Arab Emirates</td>
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<td>UK</td>
<td>The united Kingdom</td>
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<td>USA</td>
<td>The United States of America</td>
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1. Chapter One: Introduction

1.1 Introduction

This research aims to explore what talent and talent management (TM) are in the Gulf Cooperation Council countries, Kingdom of Saudi Arabia, United Arab Emirates, Kuwait, Oman, Bahrain and Qatar, and explores the range of employee responses to TM. One definition of TM in the literature is often cited and explains TM as:

Activities and processes that involve the systematic identification of key positions which differentially contribute to the organisation's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation (Collings & Mellahi, 2009, p.304).

The study of TM is in its infancy, and early TM literature has been criticised as being mainly theoretical with few empirical research studies. Those studies which have been conducted have largely been dependent on managerial perspectives and limited to a discussion of TM within a small number of contexts, mainly based in developed countries such as the USA and other Anglo-Saxon countries (Thunnissen, Boselie & Fruytier, 2013a; Dries, 2013b; Dries, Cotton, Bagdadli & de Oliveira, 2014). Over the last decade, several TM studies have appeared that have helped to shape the field theoretically (Lewis & Heckman 2006; Collings & Mellahi, 2009; Dries, 2013a) and empirically (Stahl, Björkman, Farndale, Morris, Paauwe, Stiles, Trevor & Wright 2007; Iles, Chuai & Preece., 2010; Hougland, 2012; Björkman, Ehrnrooth, Mäkelä, Smale, and Sumelius., 2013; Sidani & Al Ariss, 2014; Gelens, Dries, Hofmans, and Pepermans 2014; 2015). However it is clear that empirical research has evolved at a slower pace than the theoretical work. To advance the field of TM, there is a need to move from a literature based mainly on conceptual and
theoretical reviews, to one with a greater research focus, where developed themes and presumptions are tested.

This chapter examines the brief history of TM, followed by outlining the research context. Finally a detailed picture of the general and specific issues examined in this thesis is presented, along with a summary of how this thesis is structured.

1.2 A Brief History of Talent Management

In 2013 the Human Resource Management Review dedicated an entire issue journal to the subject of TM. Between 1991 and 2013, over 7000 articles have been published on the subject (see Figure 1.1 next). Business leaders across the world have identified TM as one of the most important challenges facing organisations in today’s business environment (e.g. Ashton & Morton, 2005; Guthridge, Komm, & Lawson, 2008). Allocating talent is seen as one of the most important challenges managers must deal with this decade (Deloitte, 2010). A study by Pricewaterhouse coopers of 1201 respondents in 60 countries reported that two-thirds of CEOs consider lack of employees with the right skills as one of their main challenges (Rendell, Richard, Hoogeveen, & William, 2011). In 2013, the report State of HR Survey 2013: Recovery in Sight? identified TM in the UK as the sixth most important challenge facing corporate leaders (Thomas, Bartlett, Wollard & Clinton, 2013). Therefore there seems little doubt about the rise in interest amongst both practitioners and academics working in areas relating to managing talent.
One of the reasons that TM has become an important topic for research relates to the ubiquitous discourse on the *War for Talent* (Dries, 2013a). In the late 1990s, a group of consultants at McKinsey and Company coined the term “War for Talent” (Michaels, Handfield-Jones & Axelrod, 2001). McKinsey’s consultants and TM advocates justify the use of the concept War for Talent based on three main changes which have taken place in the current global economy: demographic change; a shift in business to a knowledge economy; and, finally, changes in traditional employment relationships (Michaels et al., 2001; Cappelli, 2008). These are discussed below.

Both practitioners and advocates of TM stress demographic change as one of the main drivers behind the growth of TM (Cappelli, 2008; Michaels et al., 2001). Because of shrinking populations in developed countries and, because the baby boomer generation are beginning to reach retirement age, fewer qualified individuals are left to fill the vacancies created than existed previously. Although managers and researchers acknowledge that the populations of developing countries are young and expanding, they question the quality of talent in these countries (Ali, 2011).
Furthermore, the shift towards the knowledge economy has increased the importance of people as a valuable resource for many organisations (Thunnissen et al., 2013a). The significant value that employees add to organisations in today’s knowledge economy is widely recognised. Cappelli (1999) argues that employees’ long-term commitment to their employers cannot be assumed in today’s business environment; the increased level of employee mobility and the loss of interest in job security have changed the conventional employer-employee relationship. It has been suggested that these changes have influenced traditional employment relationships; long-term employee commitment and job security is often no longer the case (Cappelli, 2008). Blass and April (2008, p.48) state that; “the highly educated employee is a less malleable source for the company and a more mobile investor of his/her intellectual, social and emotional capital”. Thus, TM plays a significant role in today’s knowledge economy, by identifying talented individuals and equipping them with the means to grow within an organisation, which, in turn, leads to higher levels of commitment.

There has been over a decade of debate about TM, but one of the most significant challenges is that there has been modest theory development in the academic literature. Although articles on the subject have been published in large numbers, academic publications initially lagged behind in this field (Lewis & Heckman, 2006; Dries, 2013a). The following quote from Reilly (2008) explains the situation as it was at the earlier stages of TM:

Talent management has always seemed to me to be a tricky subject. It is at risk of becoming mere hyperbole, as in ‘the War for Talent’, or of becoming the fad of the conference circuit, because the term lacks a clear definition. Proposed definitions are, at worst, a mélange of different concepts strung together without a clear statement of what is meant by talent and how we might manage it (Reilly, 2008, p. 381).
Despite growing interest in TM and the increase in the number of academic articles published more recently, TM is still an under-researched topic. So far the field of TM has failed to find a unified definition of TM, and a method of testing how effective TM is (Lewis & Heckman, 2006; Blass & April, 2008; Reilly, 2008; Collings & Mellahi, 2009; McDonnell & Collings, 2011; Collings, 2014). To date, the majority of articles that have been published have been theoretical papers and have focused on predominantly Anglo-Saxon business environments such as the UK and USA (Lewis & Heckman, 2006; Dries, 2013b; Tansley, Kirk & Tietze, 2013). Case studies and interviews are the two dominant tools used to collect data to show how HR managers codify their TM practices and their underlying rationales (Stahl et al., 2007; Dries, 2013a). The exception to this are the recent studies by scholars such as Höglund (2012), Björkman, et al., (2013) Sonnenberg van Zijderveld and Brinks, (2014) and Gelens et al.,(2014; 2015), which have all been published since this research project started in 2010, who have conducted empirical research examining TM from a psychological and organisational behaviour perspective.

The next section briefly describes the geographical context of this thesis the Gulf Cooperation Council countries and more details are presented in Chapter Four later.

1.3 Research Context

The Gulf Cooperation Council (GCC) is formed of six countries, the Kingdom of Saudi Arabia, United Arab Emirates, Kuwait, Oman, Bahrain and Qatar that are linked historically, culturally and geographically (GCC, 2013). The GCC was established in 1981, based on the fact that the countries which make up the council share the same language and religion, and have similar cultures. In all six countries
Arabic is the native language, Islam is the dominant religion, and, economically oil is the main resource (this is explored in greater detailed in Chapter Four).

TM in the region is still in its infancy and is based on trial and error. Yet interest in how to best manage the human capital of GCC organisations is growing (Ali, 2011). For instance, societies such as the Arabian Society of Human Resource Management (ASHRM) have been established, and annual summits such as the TM Middle Eastern Summit began in September 2013. All of these illustrate the levels of interest in the region to utilise its human capital more effectively (Ali, 2011).

Examining TM in the GCC context adds value to the body of research in this area firstly because it is a non-Western, context whereas most research on TM has been conducted in developed countries, with a few exceptions (e.g Iles et al., 2010; Sidani & Al Ariss, 2014). This is important because the way HRM has been implemented in the GCC countries has proven to be slightly different in some aspects from the way it is practiced in others. For example, a dual system of HRM has been implemented across the region, where one system is for nationals and the other for expatriate workers, in addition to differentiation among non-nationals themselves. Nationals are given more privileges in areas such as pay, holidays, working hours and training opportunities (Mellahi, 2007; Harry, 2007). Furthermore, there seems to be a hierarchy for non-nationals such that those from Western countries such as the UK or the USA are paid more than individuals from developing countries (Mellahi, 2007). Hence, HRM is used to manage employees’ in GCC countries in a way that is perhaps different from how it is used in a Western context.

Additionally, something that may make this region of interest to researchers is government intervention in the private sector, whereby GCC governments impose strict workforce localisation policies and legislation, which private companies must abide by (Harry, 2007). Thus the aspect of nationality is an important element in
determining who employees are. Even then, nationals are managed differently on the basis of tribal or friendship ties; for instance, employers are likely to favour the people they know, making nepotism a common practice in the region (Ali, 1993; Ali, 2011; Sidani & Al Ariss, 2014). Thus, differentiation in the GCC countries already present though may be slightly different in nature to the way it functions in the West, and it follows that how employees in the area respond to TM might be different from the way that employees in the West might respond.

Gender inequality, mainly biased against women, could be seen as a type of differentiation in GCC countries. Harry (2007) reports that though female participation is slowly increasing in the labour market, biases against female still exist when men and women are competing for jobs. Inequality can be observed in several areas; for instance, Metcalfe (2007) found that women are offered fewer opportunities for training and career development. Metcalfe additionally found that women are managed differently among themselves; for instance women who wear a Hijab (veil) are often more likely to be promoted than females who are not. Thus, research in the region provides evidence that employees are managed differently, yet the criteria of differentiation is somewhat distinct than those found in the Western context and the TM literature.

In addition, the management style of GCC managers is different from that of managers in the West and has been described as old fashioned. Ali (1990) names it as ‘Sheikhocracy’ “solving contemporary problems by using traditional methods” (Ali, 1990, p.16). Sheikhocracy involves a hierarchal authority where rules and regulations depend on the personality and power of the individual who establishes them. Managers act as authoritarian father figures who are caring and interested in the welfare of their employees, whilst expecting total loyalty and commitment. It has been suggested that the employee-employer relationship in the GCC is based on this kind of
exchange (Ali, 1990). Ali (1993) found that managers in the region typically make decisions with only superficial involvement from subordinates, and obedience is then required from individuals of lower status. Accordingly, there is a history that employees typically conform to their employer’s wishes.

Finally, the GCC countries differ from the rest of the developed world since they are rich in natural resources. For example, some 40% of the combined population in GCC countries are under the age of 14 years old, which has been described as a “demographic gift” (Harry, 2007). Because compared to other developed countries where the aging population continues to increase and youth continues to shrink (Vaiman, Scullion & Collings, 2011), the GCC countries are blessed with populations where potentially the productive younger individuals can support the less productive older individuals, if they were to engage successfully in the labour market. Government interventions of ‘localisation’ quotas and levels of youth unemployment are seen as two of the core challenges in the region (Harry, 2007; Ali, 2011). Thus, the need for organisations to find a balance between utilising their human capital effectively, maintaining their legitimacy, and increasing their efficiency is what makes the region a valuable context in which to examine TM (Sidani & Al Ariss, 2014).

1.4 Research Details

The overall aim of this thesis is to explore the concept of TM in the GCC countries and to better understand the range of reactions of employees to TM. To achieve this, two empirical studies have been conducted:

The purpose of the first study is to confirm the existence of TM in the GCC countries, in particular, within the banking sector, and to explore whether the understanding of TM is similar or different from the Western understanding in the academic literature. The banking sector was selected for the focus of the present
research because of its position as one of the main sectors to attract and retain talent in the GCC countries, additionally an interest in TM among banking sector was highlighted in recent piece these are explained in more details in Chapter Four.

This first study has three sub-research questions: (1) How is talent defined in the banking sector in the GCC countries? (2) How is TM defined in the banking sector in the GCC countries? (3) Which practices are used in the banking sector as part of TM? To answer these questions and achieve the aims of study one a series of qualitative interviews and analyses were conducted, and are presented in details in Chapter Five.

The broad aim of Study two is to explore employee reactions to TM and the psychological mechanisms that may account for these reactions. This study has two parts: the first element is exploratory and has four objectives: (1) To examine the relationship between three sources of talent identification; (2) To explore the association between these and four sets of employee outcomes; (3) To test for the influence of incongruence of talent information on four sets of employee outcomes; (4) To inform the analytical model of the second part of Study two.

The second part of Study two aims to test a model that accounts for both why and under what circumstances talent identification has an effect on employee outcomes. Three sub-goals are identified: (1) To investigate whether social exchange theory accounts for employees’ reactions; (2) To determine whether social-cognitive theory accounts for employees’ reactions; and finally (3) To examine the impact of procedural justice as a buffer for the effects of TM on non-talents. Both parts of Study two are based on online surveys from employees, which are then put through a series of quantitative data analysis processes.
1.5 Structure of the Thesis

This thesis includes eight chapters and proceeds as outlined below:

Chapter Two: Talent Management Literature Review

Chapter Two reviews the key literature in the field of TM to examine its development. First seven seminal papers (2001-2013) in the field are presented and critically evaluated; next four papers are selected and discussed which can be described as the new wave of TM (2013-2015) are presented, which examine employee responses to TM; a topic that has recently caught the interest of several researchers. It is helpful to consider the two waves of TM research before moving to the theoretical review, as this demonstrates critical developments in the TM field, both conceptual and empirical, that have occurred during the time in which this thesis was conducted. This is followed by an examination of how the term talent (the ‘T’ of TM) has been conceptualised in the literature and consideration of how the management practices relating to TM (or the ‘M’ of TM) have been presented.

Chapter Three: Theoretical Review

The purpose of this chapter is to consider why TM is believed to have positive effects on both organisational and individual level outcomes. It draws on the TM literature as well as theories of social exchange (Blau, 1964), social-cognitive (Bandura, 1982) and organisational justice (Greenberg, 1990). Furthermore, the chapter presents useful concepts that emerge from these theories, which are worth examining to better understand employees’ responses to TM. This chapter concludes by presenting the unresolved issues that have arisen out of both the conceptual and theoretical review of TM.
Chapter Four: Methodological Approach

This chapter’s goal is to explain the research methodology and justify its appropriateness for the current thesis. The chapter starts by presenting the general and specific aims of the thesis and reasons for selecting a mixed-methods approach. Next general details of the research context are presented, followed by a discussion of both the qualitative and quantitative research designs. The chapter explains in depth the sampling approaches, data collection and the analysis methods for both strategies.

Chapter Five: Study One Procedures and Findings

Chapter Five comprises two components. First it explains in more detail the aims and procedures of Study one starting with aspects of sampling and access, the pilot project, and the development of the open-ended questionnaires that were used. The findings of Study one are then presented in several sections: the first focuses on talent, the next on TM, and then differentiation as practiced in the GCC countries. Chapter Five presents the contextual merit of conducting talent management research within the GCC countries.

Chapter Six: Study Two Part A Procedures and Findings

Study two is formed of two parts, A and B, which are presented in separate chapters. Chapter Six considers part A and starts by explaining the aims of the study; the development of the multi source talent identification model, as well as giving details of the procedures used to collect and analyse data. The second part of the chapter focuses on the results, which address the question of whether multi sources of talent identification are different or not; what their association is to employee outcomes; and how important talent identification
incongruence is in relation to employee outcomes. The findings are also used to inform the analytical model tested in the following chapter.

Chapter Seven: Study Two Part B Hypothesis and Findings

The focus of this chapter centres on testing two competing models whereby several simple mediation and multiple-mediation analyses are conducted. These aim to explore the psychological mechanisms that perhaps explain employee attitudes and behaviours in TM. This study compares the social-exchange (Blau, 1964) and social-cognitive (Bandura, 1982) models and examines which is the stronger predictor of employee responses. This is followed an analysis of the role that is played by procedural justice in moderating the effect of talent identification on employee responses.

Chapter Eight: Discussion and Conclusions

The final chapter of the thesis summarises the findings of studies one and two before presenting the theoretical and practical implications. This is followed by a discussion of the limitations of this research, conclusions and suggestions for future research.
Chapter Two: Talent Management Literature Review

2.1 Introduction

Talent management (TM) is and has been a popular topic for research in both the academic and practitioner arena alike so it is perhaps worthwhile briefly considering TM and its fit with Human Resource Management (HRM) before moving forward. HRM involves the management of both work systems and employment issues for individual and collective groups of employees, with the involvement of both line and specialist managers where possible (Wright, 1992). Since its emergence fifty years ago, whether as labour management, employee management, or personnel management, HRM has served an emerging need in organisations: to manage people to help the business function. HRM, then, is about managing different areas in relation to all employees to reach an organisation’s goals through employees’ efforts.

The management of the workforce to reach employees’ maximum productivity via HRM has been emphasised with the emergence of strategic human resource management (SHRM) in the early 1990s, which demanded that HR be a strategic partner. This involves taking strategic decisions about managing employees effectively, focusing on three elements: processes, strengths and potential, in order to develop competitive advantages (Boxall & Purcell, 2008). Conversely, TM is about the management of a sub-group of employees (talent) and, because these are part of human resources, TM naturally comes under the umbrella of HRM. Therefore TM acknowledges the differences between groups and focuses on the management of those who are talent, whilst SHRM leans towards one system fits all (Collings & Mellahi, 2009).
An associated stream of literature related to TM is *global talent management* (GTM); this emerged and evolved during roughly the same period as TM and, though they are indeed related, they address different aspects of TM. Scullion, Collings and Caligiuri (2010) define GTM as those activities that are essential to achieving strategic organisational priorities, such as attraction, development and retention of the top employees globally. Randall et al. (2011) argue that GTM is about facilitating HR practices for firms to compete globally; practices such as attracting, selecting, developing and relocating employees, with attention first to the organisation’s strategy and second to employees and regulation constraints. In that GTM is related to the notion of international human resource management (IHRM); indeed a significant debate in the field questions whether there is a difference between GTM and IHRM (for further discussions see Tarique & Schuler, 2010; McDonnell & Collings, 2011; Sparrow, Scullion & Farndale, 2011).

Nonetheless, work on GTM has been insightful in the application of TM in a number of ways. First, GTM provides a larger scope for identifying talent and the mechanisms behind this process. Second, it can be shown that the notion of talent is affected by context; thus GTM’s advice is to follow the “contingent best fit” approach when identifying talent (McDonnell & Collings, 2011). Thirdly, empirical studies in GTM explore different contexts that are otherwise not available in TM research and which thus help our understanding of a cross-contextual perception of what talent and TM are. Although this thesis is about TM at an organisational level, it will refer to studies of GTM, mainly those that explain and explore TM practices in MNCs, because this helps shape the current review with areas that might be missing from the TM literature.

The intention of this chapter is to explain what TM is, and how it has been reviewed and conceptualised in the literature. The chapter is divided to two parts first
a selective review of TM literature that is divided into two parts the first looks at (2001-2013) the second (2013-2015). These two periods are segregated because they represent two waves in the TM literature where the first is dominated with conceptual and managerial studies, while the 2013 mark the initial interest in examining employee responses to TM as a differentiated approach. Pieces for both groups were selected since first they present the core of the TM literature to date, additionally they are perceived as highly cited pieces and cover a large aspect of TM literature. The second part in Chapter Two, considers the meaning of talent, the ‘T’, while the second part looks at the differentiated management of such groups, the ‘M’.

2.2 A selective Review of Talent Management Literature 2001-2013

This section presents pieces that are helpful to show overall the development of TM as a field, since its emergence when the term was coined by McKinsey consultants and how the academic field then followed where the section ends by a review paper that covers literature from 2001 up till 2012 that highlights the main criticism in TM as a field and how to move forward.

2.2.1 The War for Talent: Michaels, Handfield-Jones, & Axelrod (2001)

In 2001 a group of McKinsey consultants published a book, The War for Talent, with the claim that it should serve as a managerial guide on how to manage talent pools, after they had coined the term in 1997. They asked managers of US companies how they built up a strong managerial talent pool and whether this had lead to better performance. Michaels et al. conclude that having a leadership belief in the importance of talent is what makes the difference between one firm and another, not the HR process. Taking this further, the consultants conducted another round of surveys and included more companies in their case studies to discover how firms enhance their talent pools and reach organisational goals. The study was undertaken
over the course of five years and included 13,000 surveys from managers in more than 120 companies, along with 27 case studies. Findings indicate that managers in high performing companies share what the consultants called a “talent mindset”; this refers to the understanding that competitive advantage derives from identifying talent at all levels across the firm.

According to Michaels et al. (2001), talent is different from managerial talent. They identify talent as individuals’ abilities, skills, know-how and innate gifts, and the drive to learn and grow; whilst managerial talent refers to individuals’ strategic, leadership and emotional growth, and their ability to motivate and attract other talented individuals and thus deliver results. Nonetheless, though the authors distinguish between general and managerial talents, they observe that providing a universal definition of talent or managerial talent is difficult and that definitions differ between firms.

Attraction, development, creating excitement and retention are the four practices that the book identifies as the main components of how to manage talented managers successfully; nonetheless, it concludes that having a “talent mindset” is essentially about differentiation. A differentiation approach, according to Michaels and his colleagues, involves categorising employees based on their performance and potentials into A, B and C players. Each group of employees should be managed and provided with different levels of resources, rewards, compensation and prospects for future progression within the firm. A players are the top group, forming between 10 and 20% of the firm’s employees; B players represent 70% of organisations workforce; whilst C players are lowest on the list, making up the final 10 to 20%.

Michaels et al. argue that, even though managing employees differently may, cause discomfort for managers or may seem to be unfair, it is, however, harmful not to do so. According to their study, having C players may for example, lead talent to
leave or stand in the way of development opportunities in what they describe as a “vicious cycle”. Having low performers in the firm has several disadvantages that may harm the firm overall; as one case study participant observes: “If you don’t lead the war for talent, you will be the victim in the war for talent” (Michaels et al., 2001, p.143).

It is important to consider the work by the McKinsey consultants because they first coined the term war for talent. Prior to this, the term had hardly been used in the literature. Furthermore, they succeeded in attracting the attention of both academics and practitioners to TM as a differentiated approach by suggesting that the top group (talent) forms 10 to 20% of the workforce and, accordingly, should be provided with the best resources by the organisation. Finally, through Michaels et al.’s contacts, their work offers an insight into how managers of small to medium size companies in the US perceive TM and thus, at this early stage, provided researchers with an idea of managerial perceptions regarding TM. Hence, the notion of differentiation is of significance to TM and, due to the work of the McKinsey consultants, has received considerable attention from academics.

Despite its importance, the book has limitations for the following reasons: First, it lacks any theoretical basis; the book does not explain how TM came to prominence, how it fits within the HRM field overall, or why and how is it important; Second, because the book targets practitioners, it provides information for managers and draws conclusions from managerial perceptions of TM only. Thus the employee perspective is ignored; Third, the context of this book is US-based large and medium sized companies this provides a rather narrow view of TM in a US context and, as a result, it is difficult to generalise the conclusions to elsewhere.

Lewis and Heckman’s paper generated a fair amount of interest in the field of TM because it reviewed the available literature on TM at the time and provided a foundation that could potentially be helpful in developing a theory of TM. Lewis and Heckman’s work investigates what TM is and relevant HR principles by assessing the existing definitions of TM of the period, identifying problems and highlighting the lack of data-driven work. They also outline the strategic basis of TM and suggest how it can be supported and linked to SHRM for future studies.

Lewis and Heckman identify three streams of thought in their review of existing TM literature; the first conceptualise TM as a euphemism for HR with minimal differences, enabling HR practices to be carried out ‘faster’ or across the entire firm. They suggest tools such as the Internet or outsourcing HR responsibilities that can be utilised to serve HR practices. Lewis and Heckman argue that advocates of this stream view talent from the perspective of their specialised field; for example, if they were consultants or researchers interested in recruitment, then TM for them would be about attraction and selection.

The second stream of thought perceives TM as talent pools. Advocates of this stream, according to Lewis and Heckman’s classification, view TM as a set of procedures that ensure employee flow to designated jobs across the entire firm. In other words, for these scholars, TM is a way to ensure a proper flow of employees throughout the organisation. TM is recognised first as internally evaluating the workforce needs, and second as managing the progression of employees through the firm. They found that engineering and industrial management fields already have such practices in place and that in this fields systems exist to initially evaluate the entire workforce internally and monitor employees’ development systematically. As such, this stream resembles succession pools and workforce planning.

The third and final stream is divided into two parts: the first believes that all
employees have talent within them and that it is the role of HR to uncover the implicit
talent of employees and deploy it to the benefit of the organisation. Advocates of this
view follow a humane view of TM an all-inclusive approach. The second view of the
third stream follows the teachings of *War for Talent*, explained above (Michaels et al.,
2001), suggesting that the organisation ought to focus on ‘A players’, the high
performers, hiring, managing and rewarding them differently, regardless of the
location, job, or where they are based, as long as they provide the highest performance
rates.

Lewis and Heckman claim that the available literature on TM lacked clarity;
thus although their first stream helps to clarify specific HR practices, nonetheless, it is
merely a repackaging of HR practices and adds no value or advancement to our
understanding of TM. The second stream they consider to be useful in succession
planning, but a body of literature already exists on succession planning, thus viewing
TM as such will not help to take TM forward. However, Lewis and Heckman suggest
that following an inclusive approach, as seen by their third stream, may result in a
healthier working environment and happier employees, yet it is impractical to expect
organisations to increase their costs to unleash the potential of each individual in the
firm. In addition, they argue that it is unnecessary to have a firm filled with top grade
‘A’ players. The paper concludes by suggesting a focus on SHRM when reviewing
TM and that two types of literature form the scientific basis of TM: the first being the
resource-based view (RBV) following Barney (1991); while the second is the decision
science of “talentship” or the *human capital bridge framework* introduced by
Boudreau and Ramstad (2005; 2007); both are discussed in different sections of this
thesis.

Lewis and Heckman’s review paper is valuable because it offered a response
to the inconsistency of previous TM literature. They made important distinctions
within the body of TM literature; by grouping the literature into three streams, they provide a picture of what had been done up until that time. Consequently this suggests that if TM is to be advanced, then research should move away from these three streams and place TM clearly in the field of HRM. Additionally, Lewis and Heckman identify issues in the field of TM and potential mechanisms to move forward, for example the use of RBV theory by Barney (1991). Finally, they take the discourse on TM by the McKinsey consultants and explain how this fits with the academic literature. This is useful because, even though this group of consultants helped to coin the term TM, it is the role of academics to formulate a theory and propositions and to rigorously test these propositions before applying it to the practical world.

Although Lewis and Heckman’s review provides a critique of the available literature, it offers little on what TM should be or its likely consequences. Lewis and Heckman’s conceptual review is limited to what TM is not, rather than what it is. They provide the RBV and HC bridge framework as mechanisms for the bases of TM, but Lewis and Heckman offer little explanation of how these could be adopted or how to explain what TM is and its effects.

2.2.3 Talent Management Best Practice: Stahl, Björkman, Farndale, Morris, Paauwe, Stiles, Trevor, & Wright, (2007)

Stahl et al.’s (2007) work is the result of a collaborative project undertaken by several scholars from top universities across Europe and the US who explored GTM best practice in multinational companies in North America, Europe and Asia. The study examines how these organisations build and sustain their talent pipeline, using both qualitative interviews and quantitative web-based surveys. Data were collected from different organisational levels within 37 companies across 12 countries.

Their results suggest that companies with successful TM in place are those that have combined “internal fit, cultural fit and strategic fit” into their TM practices. Stahl
et al. refer to a uniformity of practices firms use for talent such as attracting, developing and retaining talent, while at the same time associating these practices with the corporate culture ("cultural fit") and finally linking such practices to the firm’s goals and strategy ("strategic fit").

The practices most frequently associated with TM or “best practice” are recruitment and staffing, training and development, and retention management, as summarised in Table 2.1. According to this research, excellent companies recruit, retain and develop those who provide fit with the firms’ culture and align them with the firms’ strategic goals. Thus such companies practice “ahead of the curve” recruitment, whereby candidates who fit with the company’s culture are placed in the talent pool; this is different from “vacancy-led” recruitment. Stahl and his colleagues argue that line managers or unit heads are essential when it comes to developing talent and that they should be held accountable for their talent development. Finally, in relation to retention management, their findings indicated that talent are interested in more than monetary incentives; if firms want to retain their talent, then they need to provide them with appropriate resources so that they can grow and develop, because talent are aware of the significance of development for their growth and future careers.

*Table 2.1* :Synopsis of talent management best practice (Stahl et al., 2007)
Stahl et al.’s (2007) research is valuable because it is among the first empirical studies to explore TM by investigating what different companies do across the world to build their talent pipeline. Stahl et al. listed the “talent management best practice” which involves recruitment, training, development, and retention management. Additionally, they stress the role of three fit levels for TM, internal, cultural, and strategic fit, where practices have to be unified and aligned with both corporate culture and long terms strategic goals. Finally, they stress the manager’s role in identifying and developing talent and the need for their commitment to have successful TM in place.

Stahl et al.’s paper provides a useful overall description of TM according to the data collected, but has its limitations. The authors provide little critique of these practices and whether each is actually effective as a TM tool. Also, much of what they found seems to be closely linked to traditional SHRM practices, and thus only moderately extends our understanding of TM practices more specifically. Lastly, because it draws on managerial insights, it does not include the employees’ perceptions and how they regard TM practices, which might be very different to manager perspectives.

### 2.2.4 Talent on Demand: Cappelli (2008)

Talent on demand is a model with four key principles suggested by Peter Cappelli (2008) in his book, Talent on Demand. The book is divided into two parts: the first discusses the challenges of TM, while the second presents four principles used by Cappelli to overcome these, utilising examples from companies. Cappelli defines TM rather loosely as finding “the right people at the right time for the right job”(Cappelli, 2008.p.1). He considers this could be applied to all jobs that are
difficult to fill. Cappelli believes that TM as a practice, rather than a concept, has failed, because companies either have too much talent or too few and thus there is an issue regarding a mismatch between supply and demand. To overcome this, companies either do nothing or invest in succession planning using techniques dating back to the 1950s. Cappelli considers that the talent on demand model could be placed between these two approaches.

Cappelli identifies challenges such as the retirement of the baby boomers, the shift from a product-based economy to knowledge-based economy, and the unpredictable supply of internal talent, which constitute the TM environment of today’s world. Yet what he views as the prime challenge is the uncertainty of today’s environment. To meet the uncertainty challenge Cappelli advises using a shorter-term forecasting mechanism for future needs, which looks at the internally available talent and predicts the organisation’s needs. For this, Cappelli draws on the supply chain management literature, as he explains that, after spending years reviewing best practice TM literature, he was unable to solve the issue of supply and demand for talent. He shares his observation that, in the literature of TM, practices linked to development, such as the 360-degree feedback programme and forced ranking performance systems, are presented as being new, whilst they have, in fact, been in existence since the 1950s.

Cappelli’s four key principles are: The make versus buy decision; reducing the uncertainty in TM; the return on investment in developing employees; and utilising the internal market. For Cappelli, the first two principles are directed to the demand part of the model, while the latter two are linked to the supply element. First he suggests a balance should be achieved between ‘making’ employees (developing them internally) and ‘buying’ them (recruiting them externally) when appropriate. Second, he believes that organisations should accept uncertainty as the norm and consequently use the
notion of talent pools and shorter-term forecasting to mitigate costs related to uncertainty.

The third principle suggests dividing up the intake of university graduates into different programmes and taking them on twice a year for example; in addition the cost of development could be shared with employees. This could be done by offering volunteering opportunities for participation in projects that are undertaken with leaders, thus requiring more of the employees’ time and effort than is needed for their regular jobs. Finally, to overcome any subjectivity in identifying talent, Cappelli advocates the notion of self-nomination and performance measures of high profile inclusion and a movement away from manager-nomination of talent. However he argues that self-nomination of talent may be risky because employees may be unable to make the correct career decisions; thus career discussions about the future growth of employees should take place to ensure that both employees and employers benefit. Cappelli considers that this would represent a true advance in TM.

Cappelli provides an insightful view of TM as a supply-demand narrative. The four principles presented above offer a view of TM as a reaction to the uncertainty of the business environment and an attempt to reduce costs by finding a balance between supply and demand in relation to the talent via the use of internal talent pools and a movement away from succession planning mechanisms. Getting employees involved by allowing them to nominate themselves for career advancement and encouraging them to volunteer their time and efforts for their own development could be cost effective and move away from a narrow approach to talent identification which relies predominately on line managers.

Nonetheless, Cappelli’s research may be of limited use in providing a holistic view of what TM is because the talent on demand model is underpinned by the retirement of the baby boomers and the shortage of talent and so is a reaction to a
particular issue. Collings and Mellahi (2009) suggest that this is no longer the case and thus does not provide a reason to have TM in place. Second, Cappelli’s work is more driven by recruitment practices internally or externally and limits TM to being an issue of recruitment and identification. Additionally, Cappelli’s narratives of what TM is and its benefits have been criticised by Thunnissen et al. (2013a) as serving employers using changes in the traditional employment relationship contract. They explain that Cappelli’s suggestion to improve organisational performance at the cost of security in the employment relationship leads to firms being in control and so maintaining a high performance level based on employees’ efforts.

2.2.5 Strategic Talent Management: A Review and Research Agenda: Collings and Mellahi (2009)

Collings and Mellahi offer two contributions to the TM literature, first by providing a coherent definition of TM, and second by building a theoretical model based on their definition (see Figure 2.1). They identify TM as:

“Activities and processes that involve the systematic identification of key positions which differentially contribute to the organisation’s sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation” (2009, p.305).

For them, TM is about contributing to the firm’s sustained competitive advantage via practices and processes that identify strategic positions in the organisation; filling these roles from the organisation’s talent pool, which is made up of high potential/high performing individuals; and managing these individuals differently according to a commitment-based HR system.

They suggest, using their theoretical model, that TM involves first identifying strategic key positions that contribute to the organisation’s strategic goals (A positions) and moving away from any differentiation based on A players. Collings and Mellahi argue that positions are identified as key based on their potential output in
relation to achieving organisational goals. Thus they argue that the firm should recruit individuals proactively ahead of the curve rather than practicing vacancy-led employment. These individuals are placed in talent pools as defined by Stahl et al. (2007), who consider that talents hold different competency profiles and so need to follow different career routes and training plans. Collings and Mellahi assert that individuals in talent pools are then managed differently, drawing on Lepak and Snell’s (1999) notion of a differentiated HR architecture commitment-based system (see Chapter Three for a full discussion). Collings and Mellahi propose two levels of outcomes in their model for effective TM; the employee level and the organisational level. The organisational goal is to improve its performance, and Collings and Mellahi claim that it is only by improving individual performance that firms can reach their goals. Therefore they include employee motivation, commitment and extra-role behaviour as key employee outcomes for effective TM, which should produce organisational level outcomes and hence enhanced performance.

Figure 2.1 Strategic TM (Collings & Mellahi, 2009)

Collings and Mellahi’s piece offers a number of contributions to the literature of TM. First they provide a full definition of TM; indeed their definition has been
described as the most often cited definition (Collings, 2014). Second, they provide a framework explaining how TM can be associated with employee performance in such a way that eventually accounts for organisational performance. This helps our understanding of the form TM should take and of the HR sub-system that needs to be implemented to manage talent and its effects. Finally they stress that defining talent positions is the first and key step in TM.

Nevertheless, one missing element in the Collings and Mellahi approach is the relationship between talent and non-talent, and in particular the reactions of non-talent to the differentiated system. Though they provide a strategic view of TM, the effects of TM on non-talent overall and how the rest of the workforce is managed in relation to those in the talent pools is yet to be discussed. Their work indeed paves the way for further development and points towards useful literature to draw from; in addition it raises future issues to consider such as that of talent and non-talent relations.

2.2.6 Talent Management and HRM in Multinational Companies in Beijing: Definitions, Differences and Drivers: Iles, Xin and Preece (2010)

Iles and his colleagues produced one of the earliest non-Western studies of TM by employing a qualitative approach to explore TM in multi-national companies in Beijing. The study used semi-structured face-to-face interviews with managers from different levels of each company and, when accessible, the researchers analysed documents obtained from the companies. The article first developed four typologies of TM (see Figure 2.2). Talent as inclusive-people suggests that all employees have talent within themselves and are thus worthy of being developed. The second and opposing typology, talent as exclusive-positions, defines talent as those who are ‘A’ players based on the positions they occupy. Thirdly, talent as ‘exclusive-people’ follows the marketing perspective of segmentation in which people hold different value propositions and ought to be managed differently. Finally, talent as inclusive-
positions or social capital suggests moving from talent as an individualistic human capital perspective to a social capital group perspective. Iles et al. argue that when star employees are taken out of their organisation to perform or lead a different team in a different organisation, both their performance and the new team’s performance may deteriorate. This highlights the idea that TM is broader than managing an individual, rather it is more a matter of managing the social capital of the organisation.

After listing the above four typologies, Iles et al. (2010) explore which, if any, of the four TM perspectives were employed in the seven multi-national companies investigated. Findings were compared to their identified typologies, and it was found that six of the seven companies adopted an exclusive approach to managing employees. Some followed the segmentation exclusive-people approach to TM, focusing on a small group of individuals who are high performing/high potential, whilst others followed an exclusive-position approach. Nonetheless one company had adopted the inclusive-people approach. Findings also showed that an interest in the social capital perspective was evident in two companies, because they emphasised human capital in addition to networks, context and internal relationships. Iles et al. conclude by stating first that the TM perspectives in their data were similar to those found in the existing Western literature, and second that managerial implications stressed that different perspectives regarding what TM is shape the HR practices which the firm adopts; thus it is important to first understand how a firm perceives talent before understanding how it manages it.

Figure 2.2: Perspectives on Talent Management (source: Iles, Xin, and Preece, 2010).
Iles et al. study is useful for a number of reasons. First, the context of the study is Beijing, China, a non-Western context, and few if any studies on TM had taken place in such a context at that time. Second, the study examines four typologies of TM as shown in the figure above. Iles et al. consider the concept of talent as ‘A’ positions to belong to the second typology, where it is linked to the ideas of Collings and Mellahi who suggest that identifying pivotal positions is the key first step in TM. According to the findings of Iles et al., most companies view TM as managing subgroups of employees with a differentiated approach. This raises the question of what comes first or is of more importance in TM, people or position? Regardless of any common typology, Iles et al. conclude by stressing the importance of managers to first identify how talent are perceived in their organisation then finding the appropriate TM approach.

The Beijing study describes perspectives of what TM is by collecting data from managers. TM as a field has been criticised as being largely conceptual and focusing on the managerial perspective by conducting interviews or collecting data by approaching managers. Iles et al. do just this, which continues the trend of focusing solely on managerial perspectives. The research is also simply descriptive and proposes little in the way of offering or testing normative propositions.

2.2.7 A Review of Talent Management: ‘Infancy or Adolescence’: Thunnissen, Boselie & Fruytier (2013a; 2013b)
The aim of Thunnissen et al. (2013a) in *International Journal of Human Resource Management* (IJHRM) was to examine the available literature on TM up to 2012, while their work in *Human Resource Management Review* (HRMR) (2013b) shared a similar concept, yet focused on adding new perspectives, more precisely the idea of having multi level multi-value TM. As such these two pieces complement each other and are presented here together. This was an important milestone in the progress of this thesis, as the initial literature review phase coincided with this period. Thunnissen et al. organise their review according to three themes that have emerged from the mainstream TM literature: definitions of talent, intended effects and outcomes of TM, in addition to, TM practices. According to the authors, the first theme tries to identify talent via two questions, whether to differentiate or not, and, if so, on what basis is TM the management of all employees or of a subgroup of employees? If it is the latter, then on what basis does the differentiation takes place? Is it based on employees’ abilities (*object*) or employees as people (*subject*)? Thunnissen et al. argue that, all things considered, scholars who try to identify talent perceive it as a mix between differentiated abilities and competencies, which differ according to the working environment, external and internal factors such as the labour market, which vary across time. These concepts are discussed in more details later in this chapter, section 2.4.

In relation to the second theme, the intended effects and outcomes of TM, Thunnissen et al. argue that over half the published work on TM is dominated by the intended outcomes. According to their review, the objectives of TM are: to contribute to or enhance the human capital of the firm to ensure a sufficient supply to manage the demand-supply gap of the firm (similar to Cappelli’s work (2008)); and to contribute to the firm’s performance, competitive advantage and viability by improving human capital performance, as proposed by Collings and Mellahi (2009). Thunnissen and her
colleagues conclude their discussion of the second theme by stating that different levels of the intended effects of TM have been discussed in the literature at both the firm and the individual level, though at the firm level no single united goal was established; however this is thought to be mediated by employees and the effect that TM has on them and their well-being.

The final theme concerns practices and activities in TM. Here Thunnissen et al. identify three dominant practices: first talent attraction, selection and succession planning; second, training and development; and finally, retention of talent. These are similar to those highlighted in Stahl et al.’s (2007) research, where they identified these practices as talent management best practice. Whilst practices to reduce turnover were absent when Thunnissen et al conducted their review, Thunnissen et al. found only one article that examined talent turnover; this is discussed in the next section, 2.4. Though limited practices in the field are highlighted, the authors suggest that TM scholars are leaning towards a best fit approach rather than a universal best practice approach. The authors end their review by stating that thus far the TM literature is conceptual, unitarist, managerialist and lacks empirical evidence. They argue that TM is seen as “transformational” management, where talent are treated as inputs to be trained and retained to serve organisational goals. Although there is no single definition of talent, nonetheless the dominant question is whether to differentiate or not, i.e. whether to follow the exclusive versus inclusive approach, and on which basis, subject or object, differentiation should take place?

In response to the limitations identified with the above three themes, Thunnissen et al. develop a multi-level, multi-value approach to TM. They believe that there has been limited interest in the non-economic value of TM on all three levels, “individual, organisational and societal”, and so a multi-level multi-value approach that suggests for TM to potentially have an effect on individuals, society and
organisations alike. On the individual level, Thunnissen et al. identify two types of outcomes: economic and non-economic ones. The first category refers to the need to get financial rewards for work in the form of income and bonuses and to have job security now and in the future. The non-economic value relates to three different outcomes; first in relation to the role employees fulfil; second to their need for growth plus social needs; and finally whether they perceive there is justice in the organisation.

On the organisational level, Thunnissen et al. believe that the value of TM and its effects in relation to organisational level outcomes is dominated by performance and profitability. However, they add a non-economic value to the organisational level outcomes, namely legitimacy, that they believe is a significant outcome for organisational survival, yet is absent from TM literature. They explain legitimacy as organisations being socially accepted in the environment they work in because they fulfil the stakeholders’ expectations and obey the social norms. Finally, on the societal level, Thunnissen et al. raise important questions that have yet to attract the interest of TM researchers, with TM being focused on talent’s growth and progression in and out of the firm, but with little understanding of how non-talent can progress and develop themselves. They question the TM approach and the potential risk of non-talent being unemployed and losing their income-earning capacity outside the firm.

As has been discussed in this review, Thunnissen, Boselie and Fruytier’s papers serve to provide an overview of TM literature and its limitations. The main contribution of their work is to clearly state that the TM literature is dominated by unitarist, managerialist work (see above, Stahl et al., 2007; Iles et al., 2010). Additionally, they argue that advocates of TM are driven to a best fit view. As concluded by Iles et al. (2010), organisations first have to establish how they perceive talent and then what approach they should follow to manage them.
Additionally, Thunnissen et al. expand on the notion of economic versus non-economic value of TM to cover all three levels, individual, organisational and societal. They stress non-economic value, to suggest that though TM follows a path with unequal allocation of resources, this could be of benefit for different stakeholders. They explain that if the unequal allocation of TM is implemented to be appropriate in the environment in which it operates, if it considers individuals’ growth and their perceptions of fairness, and if it bears in mind the development of non-talent and their value in the external labour market, it will not risk non-talent being unable to find employment and losing their income.

2.2.8 Section Conclusion

This discussion of these seven seminal studies demonstrate that a variety of approaches have been taken to develop conceptual, theoretical and empirical perspectives on TM. At that point in time, till around 2012, TM research is characterised as being located at the organisational level and focused on managerial concerns relating to TM. While theories have been proposed to account for the likely influence of TM on organisational outcomes, little progress has been made relating to how TM is likely to influence both employees identified as talent and those who are not at the individual level of analysis. Nevertheless, more recently, TM scholars have shown an interest in empirically investigating TM at the employee level, although there are only a handful of such studies, it is important to consider them to show developments that are occurring in the field and the growing interest in employee level studies. Additionally, one of the key aims of this thesis to contribute to the second wave of TM research, namely a focus on employee level research. The next section considers four recent employee level studies.

The field of TM has been undergoing a development phase both before and during the time frame of this thesis. It may be concluded from the above review in section 2.2 that the first wave of TM was mostly aimed at conceptualising what TM is, with only a few empirical studies examining managerial perspectives. More recently, an interest in employee responses to TM has emerged. This could be due to the nature of TM whereby although definitions of the concepts do differ, there is still consistency, in that TM concerns the management of a sub-group of employees who are allocated more resources than the rest of the workforce (e.g Collings & Mellahi, 2009; Iles et al., 2010). Thus TM is about managing talent based on a differentiated approach. The four studies presented in this section examine employee responses in organisations where differentiated TM occurs, and test for employees’ reactions. So are important to present these studies especially that this thesis aim to contribute to this stream of literature. These limited studies only appeared after work on this thesis had started. This section briefly highlights and discusses these studies.

2.3.1 Talent Or Not? Employee Reactions to Talent Identification: Björkman, Ehrnrooth, Mäkelä, Smale & Sumelius (2013)

In their research Björkman et al. investigate employees’ reactions to TM. This research is dependent on employees’ awareness of whether they were informed by their multi-national enterprise (MNE) that they were talent or non-talent, or whether they had simply responded “don’t know” when asked; “Are you formally identified by [the MNE] as belonging to a talent pool?” Four outcomes were of interest to Björkman and his colleagues; commitment to increasing performance demands; building skills and supporting strategic priorities; identification with the unit; and turnover intentions (see Figure, 2.3). Building on social exchange theory (Blaue, 1964), they hypothesised, that individuals who are aware of their identification as
talent are more likely to be associated positively with their outcomes and negatively with turnover intention, whilst the opposite would be the case for non-talent. Björkman et al. propose that employees who do not know their status may have fewer negative outcomes when they are non-talent, because they have not been openly omitted from the talent pools and so have not received any signals that they are non-talent.

Figure 2.3: Model from Björkman et al. (2013)

The researchers collected cross-sectional data using web-based surveys from Nordic MNEs who have units in 30 different countries, implement a broad corporate TM programme and follow an implicit policy of communicating their talent status to individuals. Finally Björkman et al.’s data were drawn from managers and professionals from nine multi-national companies across the Nordic countries resulting in 769 participants.

Findings reported that individuals who perceived themselves as talent had a positive association with commitment to increasing performance demands; building skills and supporting strategic priorities; and identification with the unit; and a negative association with turnover intention. On the other hand, the research found that the opposite was the case with non-talent; they were less committed to advancing their skills and supporting strategic priorities; showed less identification with the unit; and had higher turnover intentions than their co-workers (Björkman et al., 2013). As for the final group who did not know their talent status, findings revealed similar
results to those who were not identified as talent. Thus differentiation in TM can have a positive effect for employees who perceive that they have been identified as talent and can negatively influence employees who are not designated as talent.

Björkman et al.’s (2013) research is one of the first studies to examine identification of talent or non-talent and its effect on outcomes. They contribute to the field by being the first to show that being identified as talent does indeed have a motivational impact on employee behaviours and attitudes and positively affect their outcomes. Second, being non-talent has a negative influence on employees’ reactions and so potentially on organisational performance. More generally, Björkman et al. (2013) help the field move beyond conceptualising what TM is and what its effects may be, to empirically investigating it in a workplace setting. Nonetheless, their work has also raised a number of important questions, such as why these effects occur.

2.3.2 The Role of Talent-Perception Incongruence in Effective Talent Management: Sonnenberg, van Zijderveld & Brinks (2014)

Sonnenberg et al. (2014) examined psychological contract fulfilment as a potential outcome of perceived TM practices in connection with TM, using talent-perception incongruence as a mediating variable, see Figure (2.4). They conceptualise these practices using eighteen TM practices listed by the CIPD (2006), then asked employees if they had benefitted from any of these practices. Talent-perception incongruence occurs when an employee perceives him/herself as talent whilst the employer sees it as otherwise or vice versa. Psychological contract fulfilment occurs when employees judge that their employers have met their obligations of the contract; it does not occur if employees perceive that their employers have not met their side of the agreement, thus violating the and so ‘violation’ psychological contract.

Figure 2.4 Model from Sonnenberg et al (2014):
The researchers collected data from 2660 participants from 21 large internationally oriented enterprises in Europe across multiple industries, such as logistics and business services. They first interviewed TM executives in these organisations, asking them to provide a list of a minimum of 100 employees who had been identified as talent and a reference group of a similar sample size. Following this they sent an identical web-based survey to both groups.

The results reveal a significant positive link between TM practices and higher levels of psychological contract fulfilment, meaning that the more perceived talent practices employees benefit from, the higher the level of psychological contract fulfilment. Second, they found that 84% of the referent group identified themselves as talent, so substantial incongruence existed. In terms of talent-perception incongruence, a partial mediation was found. So incongruence partially explains the relationship between perceived TM practices and psychological contract fulfilment.

In addition to testing the model, the authors compare the mediation effect of talent-perception incongruence in an exclusive (or differentiated) and an inclusive strategy of TM. They argue that incongruence mainly occurs when TM follows a differentiated approach rather than an inclusive approach, and they found that mediation only occurs when employees identify their firm’s TM strategy as exclusive.

Sonnenberg et al.’s (2014) contribution to the field is that not only do they investigate empirically the effects of TM, but they also distinguish between two sources of talent identification, the one collected from the organisation and second employees perceptions and examine how they influence both employees and firms
Sonnenberg et al. (2014) extend the work of Björkman et al. (2013) to include both employees’ perceptions and organisational identification as different sources of talent identification, by stressing the impact of what employees think and the influence of this on both organisations and employee outcomes. It may cost organisations to invest in the wrong individuals, those who think they are not talent, and so investing in them may not be useful for the firm. However it is not clear why talent practices should causally influence the incongruence examined. So again, mechanisms of association are vague.

2.3.3 Talent Management And Organisational Justice: Employee Reactions To High Potential Identification: Gelens, Hofmans, Dries & Pepermans (2014)

Recently research by Gelens et al. (2014) found a positive relationship between employees who had been designated as talent and job satisfaction and work effort. Their research investigates relationships among employees who were or were not identified as talent regarding their job satisfaction and work effort, and whether perceptions of distributive and procedural justice could account for variance in employees’ reactions or could buffer negative reactions (see Figure 2.5).

The researchers distributed an on-line survey among 203 employees in a Brussels based organisation having obtained their contact details from archival data. They distinguished between junior and senior talent based on the work experience of the two groups. The sample of 203 was made up as follows: 58 senior and 70 junior high potentials with 75 non-high potentials.

Figure 2.5: Perceived organisational justice in the link between an employee’s identification as a high potential (or not), job satisfaction and work effort (Source: Gelens et al., 2014)
Firstly the results indicated that different groups reacted differently to perceptions of workforce differentiation practices. Secondly, those individuals who were categorised as high potential, perceived higher levels of distributive justice. Thirdly in relation to the mediation effect, distributive justice was found to fully mediate the relationship between whether an individual was identified as talent or not and their levels of job satisfaction and work effort. Moreover, Gelens et al. (2014) found that junior high potentials show marginal significance for the mediation effect when compared to junior non-high potentials, whilst comparing senior high potentials to senior non-high potentials was statistically significant. Fourthly, in relation to the moderated mediation effect, procedural justice was found to moderate the relationship between the mediator, distributive justice, and employees’ work effort. In other words employees who perceive higher levels of distributive justice are likely to increase their work effort when they perceive differentiation processes to be fair than when they are unfair, and this buffers the influence of talent identification on work effort. On the other hand, no moderation effect was found for procedural justice in the relationship between distributive justice and job satisfaction.

Therefore Gelens et al.’s (2014) study supported and extended Björkman et al.’s (2013) findings to further claim that being identified as talent or high potential is associated with positive outcomes. Moreover, they also examined the role that
organisational justice plays, finding support that distributive justice acts as a mediator and procedural justice buffers the negative effects on non-talent. This is important as it contributes to a more detailed theoretical explanation for the effects of a differentiated TM approach on employees.


More recently Gelens et al., (2015) have tested for the mechanism in which employees who are identified as talent react differently compared to those who are not identified as talent, in relation to their affective commitment levels (AC). They suggest that identifying individuals as talent or not sends out different signals to them. Gelens and her colleagues utilise signalling theory (Spence, 1973) to predict employees’ reactions. Building on signalling theory they argue that talent identification influences those who are talent positively, but for those who are non-talent the influence is less or non-existence. This is because they hold that talent reactions are shaped by perception of perceived talent practices, not the practices per se.

Gelens et al. set out to test for three propositions: First that individuals who are identified as talent are likely to show higher levels of affective commitment and the opposite for non-talent; Second, that individuals who are identified as talent are likely to reveal higher levels of perceived organisational support (POS), while non-talent will show lesser levels of POS; Finally they test for a mediation effect of POS, whereby individuals who are identified as talent are hypothesised to show higher levels of POS and thus influence their levels of AC positively and vice versa for non-talent. They undertook two studies in two different financial organisations with headquarters in Brussels. Their first study collected data from two groups, talent and non-talent; the second study was undertaken to fill a limitation encountered in the
first, and so the data were collected from one group of talent, namely those who were identified as talent before joining the firm, details are explained next. The article presents the two studies individually and this section follows this lead.

Data collected for the first study came from a financial organisation that has a TM in place. All employees know of its existence, yet talent are informed while non-talent are not. Gelens et al. distributed the survey to 190 employees deemed talent and another 300 to those designated as non-talent. They received back 125 and 75 surveys respectively. To identify those classed as talent, Gelens et al. were able to get HR managers to indicate whether employees were or were not talent, in other words the firm undertook its own talent identification. Having said that, Gelens et al. did differentiate between junior and senior talents, with the main difference being talent readiness to hold managerial positions and tenure.

The results of the first study found support for their proposed hypothesis. First, individuals designated as talent did show higher levels of AC as well as POS. In addition, when testing for the mediation effects of POS, the total indirect effect was significant, confirming partial mediation between an employee’s identification as talent and their AC levels via POS. Gelens et al. surmise that employees’ perceptions of POS do in fact partially account for why employees’ AC levels varied between talent and non-talent. Nonetheless, Gelens et al. find it difficult to draw causal relationships between talent identification and AC, whether identification of individuals as talent or not causes high levels of AC. For this reason, Gelens et al. (2105) argue for the need to conduct a second study in a different firm.

The second study tested the same hypotheses at a different firm, with talent being identified as those who are at the management traineeship programme. The programme is made up of graduates with less than two years experience at an external firm, preferably in an international capacity. Candidates undergo rigorous selection,
process, starting with CV screening, followed by interviews with the firm’s HR representative. Then they participate in discussion groups observed by an HR representative from the firm and an external consultant. Those who get through the interviews proceed to the final stage, namely a presentation in front of a panel from the firm’s top management team. They are provided with a topic to present, followed by a question and answer session, after which the panel makes a decision. Thus what makes this sample different from the previous study, is firstly that individuals may or may not be designated as talent before they join the firm; secondly these programmes are more transparent in the firm, in that and everyone is aware of their existence.

Results for talent and non-talent in the second study found no support for the first hypothesis, namely there was no significant variance between talent and non-talent in relation to AC levels; Second, individuals who are talent showed higher levels of POS than those who are not; and finally a total indirect effect was significant via POS. Even though their was not a direct link between talent identification and AC, full mediation was found via POS. Gelens et al. suggest that this finding is important because it decreases the uncertainty of causal association and that is employees’ identification indicate to talent that their organisation supports them and thus influences positively their AC levels, while the opposite occurs for non-talent.

Gelens et al.’s (2015) research is of value for several reasons: First they test a model that involves a variable of social exchange theory, POS. In so doing, they contribute to our understanding of the likelihood that reciprocation might, in fact, account for talent positive behaviours and attitudes in TM. Second, in the two studies they examine two different sets of talent sources, one that is talent identified after joining the firm and the second, talent identified before joining the firm. Gelens et al. (2015) shed light on a significant aspect of talent identification that scholars in the field need to be wary of when conducting employee reaction research to TM, because
how and when you identify talent can vary, and this may influence talent reactions differently.

Nonetheless, Gelens et al.’s research paper does suffer from a few limitations; for example, the sample size in both studies is relatively small and conclusions are based on two separate organisations. Second, the examination of two sources, talent identified after joining and before joining, was undertaken in two different organisations. It would have been worthwhile to compare the two types of talent in the same firm to overcome other factors that could have influenced individuals’ opinions. In other words having different sources of talent benchmarked in two different firms may have been influenced by elements such as how TM is deployed in that firm, and may be worth further investigation. Finally, although the study takes place in Belgium adding to the Western-context of TM, it does not add to the understanding of how talent across other cultures may react to a differentiated treatment of TM, and so further investigation is required.

2.3.5 Section Conclusions

The four studies presented and discussed in this section commonly test for employee responses to a differentiated approach to TM, that was absent from an earlier TM literature as presented in section 2.2 in this chapter. Additionally, all four studies conclude that employees who are designated as talent are more likely to show positive employee outcomes. In addition, scholars started to test for moderation and mediation effects as presented in both Gelens et al. (2014; 2015) and Sonnenberg et al. (2014) pieces. Finally, an existence of multi sources for talent identification that lacks consistency that allows for little comparison among the different studies. For instance, Björkman et al. (2013) use the perception employees have about their firm’s identification of them, while for Gelens et al. (2014), talent identification was
provided directly by the firm. Thus, although the need for employee level research has begun to be addressed, it seems we have a long way to go before better understanding TM.

Although literature initially described what is TM more recent research has been less interested, nonetheless, preoccupation of the earlier work also the new work draws on variety of definitions, to what talent and talent management is. So it is worth to still thoroughly look at what talent and talent management are. The following section presents different perspectives on how the T and the M of TM can be viewed. It considers the T first, presenting the different debates as to what talent is; This is followed by a review of the M in TM, where practices such as talent identification and its management are discussed.

2.4 Existing Definitions / Conceptualisations of Talent Management

This part of the literature review examines what talent management (TM) means in its field. As yet there is no single definition of what the term TM means, so the use of tables to illustrate different definitions of TM has become quite common in recent publications (see, for example, Table 2.2 below from Dries, 2013a). Dries provides the table as evidence of inconsistency in TM definitions. For instance she argues that the available literature fails to provide a formal definition of the concept, and, if it does, what talent are or what practices come under it is often unclear. Her table provides definitions from scholars such as Cappelli, Collings and Mellahi, as well as others from practitioners such as Duttagupta, whose definition was provided as part of a report from PriceWaterhouseCoopers. Dries concludes that, as indicated in table 2.2, there is a lack of unified understanding as to what talent are and how to manage them, and that the practices that underpin such a construct have yet to be clarified.
Table 2.2 Definitions of TM found in the HRM literature (Source: Dries, 2013a)

<table>
<thead>
<tr>
<th>Reference</th>
<th>Definitions of Talent Management</th>
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<tbody>
<tr>
<td>2003 Sloan, Hazucha, &amp; Van Katwyk</td>
<td>“Managing leadership talent strategically, to put the right person in the right place at the right time” (p. 236).</td>
</tr>
<tr>
<td>2004 Pascal</td>
<td>“Talent management encompasses managing the supply, demand, and flow of talent through the human capital engine” (p. 9).</td>
</tr>
<tr>
<td>2005 Ashton &amp; Morton</td>
<td>“TM is a strategic and holistic approach to both HR and business planning or a new route to organizational effectiveness. This improves the performance and the potential of people—the talent—who can make a measurable difference to the organization now and in future. And it aspires to yield enhanced performance among all levels in the workforce, thus allowing everyone to reach his/her potential, no matter what that might be” (p.30).</td>
</tr>
<tr>
<td>2005 Duttagupta</td>
<td>“In the broadest possible terms, TM is the strategic management of the flow of talent through an organization. Its purpose is to assure that a supply of talent is available to align the right people with the right jobs at the right time based on strategic business objectives” (p. 2).</td>
</tr>
<tr>
<td>2006 Warren</td>
<td>“In its broadest sense, the term can be seen as the identification, development, engagement, retention and deployment of talent, although it is often used more narrowly to describe the short- and longer-term resourcing of senior executives and high performers” (p. 26).</td>
</tr>
<tr>
<td>2007 Jerusalim &amp; Hausdorf</td>
<td>“High potential identification and development (also known as talent management) refers to the process by which an organization identifies and develops employees who are potentially able to move into leadership roles sometime in the future” (p. 934).</td>
</tr>
<tr>
<td>2008 Cappelli</td>
<td>“At its heart, talent management is simply a matter of anticipating the need for human capital and setting out a plan to meet it” (p. 1).</td>
</tr>
<tr>
<td>2009 Collings &amp; Mellahi</td>
<td>“We define strategic talent management as activities and processes that involve the systematic identification of key positions which differentially contribute to the organization's sustainable competitive advantage, the development of a talent pool of high potentials and high-performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization” (p. 2).</td>
</tr>
</tbody>
</table>
Chapter Two. Talent Management Literature Review

2010 Silzer & Dowell

“Talent management is an integrated set of processes, programs, and cultural norms in an organization designed and implemented to attract, develop, deploy, and retain talent to achieve strategic objectives and meet future business needs” (p.18).

This section first considers the question of what is talent (T), and then moves on to explore the management of talent (M) and the practices that thus far have been presented as aspects of TM.

2.4.1 The Talent in Talent Management

Even though the term talent has been used for thousands of years there is still no consensus on what this actually means. It is important to define what talent is in an organisation, because this will determine how it should be managed (Illes et al., 2010; Dries, 2013a). For example, Tansley (2011, p. 267) states: “Some definitions of talent are so vague that one is forced to ask what the point is of using the term “talent” at all”. Hence, this section of the thesis begins with a historical overview of the term, and then presents the two dominating debates in the literature, namely whether talent is innate or acquired; followed by arguments regarding the subject versus object approaches to talent.

2.4.1.1 Historical View of the Word Talent

TM literature has recently focused on better understanding the term talent and what it means in TM (Tansley, 2011; Gallardo-Gallardo, Dries & González-Cruz, 2013; Meyers, Van Woerkom & Dries, 2013; Dries, 2013a; Nijs, Gallardo-Gallardo, Dries & Sels, 2013). Historically the term talent dates back thousands of years to the Babylonians, Assyrians, Greeks and Romans. It derives from the Greek word τάλαντον [tálānton], meaning a unit of weight or money. The Greeks used the term talent to refer to an amount of money before proper coinage existed, and this resulted in a
talent becoming a coin. However, talents were special and were owned only by rich people (Tansley, 2011).

The term talent has gone through a considerable number of changes. In the thirteenth century, talent was seen as an inclination or disposition, inclination referring to the feeling that makes an individual want to do something, while disposition means the natural quality of a person’s character. In the fourteenth century the word talent entered the English dictionary through Matthew 25:14 in the Bible. This tells the story of a man who went on a journey and, before leaving, gave his three servants one, two or five talents each, based on his perception of their abilities. When the man came back he found that the two servants with the highest number of talents had invested the money and made a profit which they gave back to their master plus the original talents; however, the individual with one talent had buried the coin, waiting for the man to return (Tansley, 2011). This parable led to talent being used to refer to a particular natural ability or skill of value, which should not be wasted. Following this, in the fifteenth and sixteenth centuries, talent indicated one’s natural innate ability. By the nineteenth century, talent was considered to refer to individuals with talent and aptitude (Tansley, 2011).

In the contemporary dictionary, talent is defined as “natural aptitude or skill”, or; “(someone who has) a natural ability to be good at something, especially without being taught” (Oxford Dictionary, 2015). This definition suggests that talent is innate and relates back to definitions that were accepted in the seventeenth century. The next section explores the talent-as-innate or talent-as-acquired debate.

2.4.1.2 Talent – Innate or Acquired

In an attempt to unpack the meaning of talent, Meyers et al. (2013) ask whether talent is innate, acquired or a mixture of both, and list the range of answers in a continuum, ranging from completely innate to completely acquired. To answer the
question they draw on five literature streams: giftedness, strength, meta-competencies, employee potentials, and finally performance (see Table 2.3). The last three approaches (meta-competencies, employee potentials and performance) were examined in a work-based context and thus could be of relevance to the field of HRM; the first two were studied in various settings and relate rather to sports, music and gifted students or children.

Table 2.3: Summary of important approaches to talent and their main characteristics (Source: Meyers et al., 2013)

<table>
<thead>
<tr>
<th>Approaches to talent</th>
<th>Giftedness</th>
<th>Strengths</th>
<th>(Meta-) Competencies</th>
<th>Potential</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Education</td>
<td>Positive psychology</td>
<td>HRM</td>
<td>HRM</td>
<td>HRM</td>
</tr>
<tr>
<td>Scientific domain</td>
<td>Children, adolescents, adults</td>
<td>Children, adolescents, adults</td>
<td>Working adults</td>
<td>Working adults (mostly younger workers)</td>
<td>Working adults</td>
</tr>
<tr>
<td>Population of interest</td>
<td></td>
<td>Ongoing debate about nature vs. nurture interactions</td>
<td>Innate basis, yet to some extent developable</td>
<td>Knowledge and skills can be developed; abilities and some other personal characteristics are innate.</td>
<td>Mainly based on innate factors, but can be (and needs to be) developed.</td>
</tr>
<tr>
<td>Positions in nature / nurture debate</td>
<td>(Highly) Exclusive (approximately 1 to 10% of the population)</td>
<td>Inclusive</td>
<td>As concerns knowledge and skills: rather inclusive; as concerns abilities: rather exclusive</td>
<td>(Rather) exclusive</td>
<td>Exclusive</td>
</tr>
</tbody>
</table>

The talent-as-innate debate considers people to be born with talent; this links back to the historical definition of talent as the possession of above-average ability (Meyers et al., 2013; Tansley, 2011). Support for the concept of talent being innate can be summed up in four points. First, advocates of the innate perspective suggest that talent are individuals with high intelligence, and thus talent is genetically inherited; Second, talented individuals demonstrate early signs of exceptional ability in certain domains at a very young age; Third, there are only a few talented individuals, a minority of exceptional performers. Finally, talent will always
outperform non-talent, even if both groups are provided with equal amounts of training. Advocates of talent-as-innate argue that only 1 to 10% of individuals within the same age group are gifted, which implies that TM is about finding and recruiting the 1 to 10% of individuals that are talent.

At the opposite side of the continuum lies the nurture or acquired perspective, that relates talent to deliberate training and development which then leads to exceptional levels of performance (Meyers et al., 2013). In the talent-as-acquired perspective, deliberate practice and learning from experience are the two dominant elements in talent development (Gallardo-Gallardo et al., 2013; Meyers et al., 2013; Dries, 2013a). One definition of deliberate practice offered in Meyers et al. (2013) is taken from De Bruin, Smits, Rikers, & Schmidt (2008), namely that practice: “(1) is primarily directed at performance improvement, (2) is of adequate difficulty, (3) involves informative feedback, and (4) provides ample opportunity for repetition and correction of errors” (p.474). Based on this definition anyone could be a prodigy. Nonetheless, the acquired argument indicates that talent is about training, but it is also likely that individuals exposed to the same training differ in their results. Hence this suggests that TM should involve more than simply training practices.

Taking the nature versus nurture argument as a continuum and viewing it from the middle of this continuum means that talent is not a case of either/or, but rather a combination of innate and acquired skills. Supporters of each argument may lean towards one end of the continuum or the other, but natural ability without practice will not lead to exceptional performance levels, and vice versa (Meyers et al., 2013). Accordingly, talent is not an all-or-nothing gift, but a potential that needs to be cultivated to bear fruit (Csikszentmihalyi, 1998). Indeed, talent is neither absolutely innate nor entirely acquired; talent involves having a moderate perspective, where
talent is understood as future potential that needs to be supported in order to realise the individual’s potential or gift (Abbott & Collins, 2004).

Thus, talent may be perceived as a mix of both potential and performance, where both are key in identifying talent. For example, in today’s organisations, tools to identify and monitor talents such as the 9-box-grid combine assessments of both current performance and future potential (Randall et al., 2011; Nijs et al., 2013; Hird, Whelan & Hammady, 2010). Potential refers to the probability that an individual could become more than what they are now (Silzer & Church, 2009). Therefore, talent in practice perhaps refers to individuals with high performance levels, with future potential for growth and for becoming more than what they are today.

2.4.1.3 Talent as Object versus Talent as Subject Approaches

The second debate in defining whom talent are distinguishes between talent as object and talent as subject. First, the talent as object approach focuses on the talent component; according to Gallardo-Gallardo et al. (2013) it is related to the individual’s characteristics. The authors group some characteristics previously used in the TM literature as *object* (see Table 2.4). They argue that talent as object approach entails four components: talent as natural ability, talent as mastery, talent as commitment, and talent as fit. The first two components relate to the debate on innate natural ability or acquired mastery, which were discussed earlier and, thus are not further elaborated upon in this section.
Chapter Two. Talent Management Literature Review

Table 2.4: Terms commonly associated with ‘talent-as-object’ in the literature, (Source: Gallardo-Gallardo et al., 2013).

<table>
<thead>
<tr>
<th>Associated terms</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity</td>
<td>Jericó (2001)</td>
</tr>
<tr>
<td>Capability</td>
<td>Stahl et al. (2007)</td>
</tr>
<tr>
<td>Commitment</td>
<td>Ulrich (2007)</td>
</tr>
<tr>
<td></td>
<td>Bethke-Langenegger (2012), González-Cruz et al. (2009), Silzer &amp; Dowell (2010), Tansley et al. (2007)</td>
</tr>
<tr>
<td>Competence/competency</td>
<td>Ulrich (2007), Williams (2000),</td>
</tr>
<tr>
<td>Contribution</td>
<td>Ulrich (2007)</td>
</tr>
<tr>
<td>Experience</td>
<td>Cheese et al. (2008)</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Bethke-Langenegger (2012), Cheese et al. (2008), Michaels et al. (2001), Tansley et al. (2006)</td>
</tr>
<tr>
<td>Performance</td>
<td>Stahl et al. (2007), Tansley et al. (2007)</td>
</tr>
<tr>
<td>Potential</td>
<td>Tansley et al. (2006), Tansley et al. (2007), Williams (2000)</td>
</tr>
<tr>
<td>Patterns of thought, feeling or behaviour</td>
<td>Buckingham &amp; Vosburgh (2001), Cheese et al. (2008)</td>
</tr>
<tr>
<td></td>
<td>Cheese et al. (2008), Gagné (2000), Hinrichs (1966), Michaels et al. (2001), Silzer &amp; Dowell (2010), Tansley et al. (2006)</td>
</tr>
<tr>
<td>Skills</td>
<td></td>
</tr>
</tbody>
</table>

The third component of the talent as object approach is talent as commitment. This involves two elements; commitment to one’s work and, second, to one’s employer. The first is related to successfully completing a job that other employees might not be able to manage, and thus involves criteria such as willpower and focus; whilst the latter refers to the extent to which an individual is willing to undertake extra work for the employer and how likely he/she is to leave. Nonetheless, this perspective on talent suggest retaining employees merely because of their low turnover intentions or because they complete the work that they are required to do. Thus, this perspective adds no value of who talent are, and so its viewed as an addition to other talent characteristics, such as performance and potential (Gallardo-Gallardo et al., 2013).

The final component is talent as fit between the person and the context in which they work. This view stresses the significance of the work context, the leadership, and the opportunities offered by the environment in which the talent operates, and thus suggests that talent varies from one organisation and from one job
to another (Gallardo-Gallardo et al., 2013). This approach implies that talent is relative to the context, and not dependent on just individuals themselves. This view is important and the concept of the fit between talent and their position is an essential one in the literature, as has been highlighted in the previous discussions of significant research. For example, Collings and Mellahi (2009) argue that identifying pivotal positions is the first step in TM, and only once this is achieved should these positions be filled with suitable incumbents from the talent pools.

The object approach, then, with its different perspectives, suggests that all employees possess skills, natural characteristics or innate elements that have to be discovered and that employees need to be offered the appropriate training and opportunity to shine in the organisation. This is close to the all-inclusive notion of talent as all employees. It implies that talent are either about recruiting individuals with innate natural abilities, or about training individuals in organisational mastery, retaining committed individuals, perceiving them as talent, and providing them with the right environment to operate in. Nonetheless, the object approach has little, if any distinction from HRM.

The second part of this debate refers to talent as subject where Gallardo-Gallardo et al. (2013) draw from the typologies of Iles et al. (2010) presented earlier: talent as all employees inclusive and talent as some employees exclusive. The all-inclusive approach to talent refers to all employees and to the argument that everyone has talent within themselves; thus it is the role of the organisation to uncover individuals’ talent, develop it and deploy it. Supporters of the inclusive approach to TM believe that this is likely to result in a happier working environment (Buckingham & Vosburgh, 2001; Ashton & Morton, 2005). For example Warner (2006) mentions that this approach influences employees’ levels of wellbeing and openness in the working environment, as well as their trust levels. If all employees are talent, then this
too indicates that managing talent is about managing the entire workforce and thus TM is not distinct from HRM. Because this approach offers no understanding of who talent are and how to effectively manage them; it is neglected in this thesis.

The second aspect of talent as subject that focuses on talent as people (the ‘whole person’) is the exclusive approach, where talent is perceived as a subset of the workforce (‘some people’) who have been exclusively classified as talent. Here talent are perceived by the organisation as those few who generate more results than the rest.

Two criteria have been used to identify exclusive talent: first, high performers, and second, high potential. Tansley et al. (2007) describe talent clearly as a group that “…Consists of those individuals who can make a difference to organisational performance, either through their immediate contribution or in the longer-term by demonstrating the highest levels of potential” (p.8). Potential refers to long-term contributions and is thus identified by Pepermans, Vloeberghs and Perkisas (2003) as employees who demonstrate higher capabilities than regular employees and thus show potential to develop faster.

Recognising how talent are perceived establishes the basis of where talent are, and how to manage them. For instance, if the organisation views talent as an inborn ability (innate), then the focus would be on talent identification and selection where talent are a minority group; on the other hand, if organisations believe that talent is developed (acquired), then they are more likely to focus on training and learning practices, where they follow an inclusive approach to talent (Iles et al., 2010; Dries, 2013a). Having said that, in this thesis talent are perceived as a small group of employees in other words, talent as subject, where talent are identified before or after joining the workforce, as a sub-group of individuals and managed differently through providing more firm resources and support.
2.4.2 The Management in Talent Management

After presenting the main arguments on how talent are perceived in the existing literature, this section moves on to discuss the management side. Three practices have been commonly associated with TM identification, training and development, and retention management as stated by Michaels et al. (2001) and Stahl et al. (2007), see section 2.2. Retention management is discussed as part of commitment management in this section. Though these three elements of management have received limited attention, identification has received the most because of its significance as underpinning a differentiated approach for managing talent.

2.4.2.1 Talent Identification

Talent identification could be perceived as one of the crucial practices in TM because the management of talent depends to a large extent on this step. Nonetheless, companies still struggle to fill talent pools and ultimately fill strategic roles, as Ready and Conger (2007) confirm in their study surveying HR executives in 40 companies across the world. While in the academic field tensions on what is talent, who talent are and how and when talent are identified are all questions that received limited attention, with most of the existing talent identification process dominated by GTM. This section addresses each of these points, in turn.

- What should be identified – people vs. position

Early debates in identifying talent question what to identify in TM – position versus people. Is it finding the right people and then finding jobs for them, or vice versa? Boudreau and Ramstad (2005) stress the significance of organisations identifying pivotal jobs that have high impact on the strategic goals of the organisation as a start, before identifying talent itself. Through their research in 2005, and then their book in 2007, they aim to enhance the firm’s human capital decision-making
across all levels using what they call talentship, which stems from marketing theories and follows a talent segmentation approach. Boudreau and Ramstad (2007) use Disneyland as an example. Disney’s strategic goal is to be “the happiest place on earth”. They argue that for Disney to reach its goals, the role of cleaner is perhaps one of the most pivotal roles, since cleaners are in direct interaction with Disney’s visitors. Boudreau and Ramstad state that without talentship, the significant strategic role of the cleaner would not have been visible and thus utilised. The proposed goal of talentship is to reach sustainability rather than create instant rewards, thus the strategic benefit gained from the cleaners’ role is to help make Disneyworld a magical place and consequently help achieve its strategic goal.

Collings and Mellahi’s (2009) research discussed earlier in this chapter agrees with the notion that Boudreau and Ramstad introduce about pivotal positions. However they disagree about the notion of pivotal job pools; rather they suggest having talent pools. Hence, firms fill these pools with employees who are high performers with high potential that may, in the future, fill roles that are pivotal to the organisation when needed. Indeed, as explained earlier, Collings and Mellahi, follow Stahl et al.’s (2007) definition that suggests an organisation should have a pool of talent with different competency profiles who are eligible for various career paths and development schemes. As part of Stahl et al.’s (2007) talent management best practice, talent recruitment and staffing should move away from vacancy-led recruitment to hiring ahead of the curve, building relations with universities, hiring the best people and then considering where to place them. In essence, Stahl et al. (2007) push for companies to create talent pools that include employees who fit with the organisation’s values and norms without the need to have jobs ready to be filled by them.
McDonnell and Collings (2011) combine both perspectives, position and people, by suggesting that firms should start by creating a generic talent profile, then find individuals who match the profile to place in talent pools. A talent profile that serves the organisation’s needs with generic skills should be developed and then a talent pool created where employees who fit the profile are placed. Nonetheless the authors stress different aspects that must be in place for such a TM system to be successful. First it must be remembered that talent and TM differ from one organisation to another, and thus contingent approaches ought to be followed when identifying talent. Second, the involvement and commitment of managers must be enlisted in identifying talent. Finally, a pool of talent must be identified and the generic skills of this group should be developed that fit with the firm’s future strategy, rather than one or two individuals being nominated to fill a previously selected senior role. Hence, identification of talent is closely linked to the notion of talent pools which are filled with talent, and then finding jobs for them, in contrast to identifying two or more individuals for senior roles that differ from organisation to another (see for example, Boudreau & Ramstad, 2007). On the other hand, talent pools perhaps share more commonalities and have similar end goals across firms and so are more amenable to research.

- **When are talent identified**

The second crucial issue in talent identification is when does it occur? This is a difficult question that has received little attention and usually indirectly mentioned. This section distinguishes between two points of time that talent identification may happen: before joining the organisation or after.

**A- Before joining the organisation**
One trend that has been observed in several global companies to fill their talent shortage is developing the talent within, talent programmes. In other words the recruitment of recent university graduates for their talent pools (Stahl et al., 2007; Ready & Conger, 2007; Cappelli, 2008). Organisations such as Procter & Gamble, HSBC and others examined by Ready and Conger (2007) as well as Stahl et al. (2007) utilise these talent programmes to ensure a talent flow. They argue that having talent identified before joining the firm and placing them in talent pools increases the commitment of the newly hired employees, ensuring that they have a longer career with the organisation. Thus, in this case, talent identification occurs before individuals join the firm, conditioned by their background such as a university education, where they join the firm as talent and managers are held accountable for their development.

B- After joining the organisation

Identifying talent as those with high performance and high potential requires an evaluation of employees’ current performance, and thus implies that identification occurs after an employee has demonstrated a level of performance within the firm, such that managers are then able to rate if they have future potential. The main stream of talent identification literature is centred on the process that examines how talent are identified in the firm (for example, Mäkelä et al., 2010; McDonnell & Collings, 2011; Malik & Singh, 2014). This might be because in GTM identifying talent internally is perceived as a challenging process whereby managers could be in head offices and talent are in subsidiaries. In any case, when talent are identified after joining the firm, identification is dependent on line managers’ ratings of employees’ performance and whether they show potential to hold strategic positions in the future.

- Tools to assist in the talent identification process
Ready and Conger (2007) as well as McDonnell and Collings (2011) list four tools that offer help for firms to identify their talent, although these tools have different limitations. First, there is the 360-degree assessment, whereby various managers and colleagues provide feedback on the employee under assessment, such multisource feedback relies heavily on line managers. Furthermore as suggested by above Cappelli (2008), 360-degree assessment has been proposed in the TM literature as part of a set of talent identification tools, nonetheless this tool is not new and potentially dates back to the 1950s. Second, assessment centres can be used to help identify an individual’s potential using several tests such as scenario-based evaluation questions. The third tool is psychometric testing, which provides results on the individual’s personality and can be linked to job performance. Finally, TM information system uses technological techniques to provide access to talent information similarly to a dataset.

In addition one tool that has been recently identified and which has been suggested incorporating both potential and performance, is the nine-grid box (e.g, Ashton & Morton, 2005). Where line managers place their nominated individuals alongside the boxes available based on their current performance and future potential. Yet, once again, this tool depended more on managerial perception and less on employee self-ratings or objective tools. The following section briefly explains the processes that are suggested in talent identification.

- **How talent is identified ‘process’**

The test conducted by Mäkelä et al. (2010) as part of their framework about when talent are identified constitutes a two-stage process to identify talent, which is tested using one case study. The first part of the process includes an *on-line* performance rating (experience-based), whilst the second stage depends on an *off-line*
decision from a manager (cognition-based). Findings from one case study indicates support for their model and implies that there are three cognitive-based factors in relation to whether talent should be included in the talent pool or not. The first is *cultural distance*, which relates to how far or close the employee under review is from the decision maker. It is postulated that the further the distance between the two, the less likely the employee is to be included.

The second factor is *homophily* which is defined as the degree to which the employee under review is similar to or different from the decision maker; this could be based on characteristics such as gender, race, kinship, education, occupation and other elements. It is presumed that the more similar the decision-maker and the employee under review are in these areas, the more likely it is that the employee will be included in the talent pool.

The final factor is the position of the candidate in the corporate network how far or close they are to where decisions are made. Thus, the more visible geographically and personality-wise the candidate is, the more likely he/she is to be included in the pool.

The two-stage process model introduced by Mäkelä et al. (2010) is helpful by first creating awareness of the need to balance performance ratings tools and managers decisions to avoid subjectivity. There is no doubt that subjectivity will form part of any decision defining talent, yet having a model that incorporates both tools and managers’ perceptions may result in a better balance and more accurate identification (McDonnell & Collings, 2011). Mäkelä et al. (2010) suggest that multi-level HR and top management involvement for talent review may well help decrease subjectivity and make the talent review process fairer. Nonetheless, the Mäkelä et al. research is conducted on a GTM level to identify talent and its suggestions relate more
to an international context; thus some elements relevant to identifying internal talent may or may not apply to an organisation’s national talent level.

- **Summary**

This review of talent identification in TM revises questions about the initial point in identifying talent positions versus pools; when talent identification occurs, followed by the processes and tools of how to identify talent. The discussion demonstrates that talent could be fresh graduates from an external market (Ready & Conger, 2007; Stahl et al., 2007), and/or talent could be individuals who are internally nominated by their line managers (Mäkelä et al., 2010; McDonnell & Collings, 2011). Both categories of talent go through a process of selection to ensure that they fit the talent profile of the firm. Nonetheless, what might be missing from the existing debates on talent identification is the concept of self-nomination or rating (Dries, 2013a; Cappelli, 2008). Talent identification is largely dependent on what employers think talent is; while the effect of employees’ own perceptions is absent to a large extent.

2.4.2.2 Differentiation in Talent Management

_Differentiation_ is perceived in the TM literature as a criterion that distinguishes it from human resource management (Collings & Mellahi, 2009; Dries, 2013a; Gelens et al., 2013). Differentiation refers to the disproportionate allocation of resources and investment based on returns; in other words there is a different level of investment in people in different jobs or with different characteristics according to their strategic importance to the firm (Becker, Huselid & Beatty, 2009). Indeed, in the Berger and Berger (2004) TM handbook, different section authors share their experiences with TM. From this it is evident that companies examined in the book view TM from a differentiation perceptive. Section 2.2.6 showed how, in their study,
Iles et al. (2010) conclude that six out of the seven companies they examine applied TM as an exclusive approach, i.e. a differentiated TM approach. The following section reviews the literature, which suggests that the differentiated management of talented individuals centres on varying the training, development and commitment management practices or retention management different employee groups receive.

2.4.2.2.1 Differentiated Talent Training and Development

The literature suggests that talent should be managed differently from the rest of the workforce, and so should be provided with a different set of training and development practices. Talent need to have the appropriate resources, management feedback and career plans to progress. Indeed, Dries and Pepermans (2008) examined the career of high flyers using a qualitative study, interviewing twenty organisational representatives, eight of whom provided Dries and Pepermans with access to interview fourteen high-potential employees (HiPos) in their organisations. Though their aim was to contribute to career theory, nonetheless, Dries and Pepermans found that career self-management was a distinctive consideration for high potential employees; in other words, such individuals sought career support from their firms and managers. While managers in the sample indicated that training and development needs are considered only when requested by a HiPo individual, Dries and Pepermans propose that HiPo obtain their learning from other areas such as moving jobs across the firm. Thus, in short, managers in the sample do offer talent more support than that of non-talent and so manage them differently.

Blass and April (2008) present five dimensions to be considered when firms develop their talent. The first dimension is the development path, which is concerned with how talent is developed, using accelerated bespoke development. Dimension two concerns the focus of development this is based on utilising high-potentials’ strengths and developing their weaknesses. Dimension three relates to how much support firms
offer their talent and whether it is paternalistic or more of a ‘sink or swim’ nature. The fourth dimension relates to the benefits of development in relation to the individual’s career or the organisation requirements. The final dimension is linked to employee – employer communication about the individuals career plans. Blass and April argue that career conversations are of importance when it comes to talented individual and thus this dimension is concerned with identifying who talent can talk to and whether they can only talk to line managers or whether they can talk to a combination of different individuals. Blass and April conclude that when developing talent, firms ought not to think about an individual’s development and career path in isolation, but rather that these should be developed hand in hand with the organisation’s needs.

As explained above, talent needs in training and development seem to be differentiated and as presumed by TM advocates that talent should be offered more time, support and feedback, both in relation to their progression within the firm and as individuals (Malik & Singh, 2014). One of the distinguishing criteria of talent is that they self-manage their own careers (Dries & Pepermans, 2008) and, in doing so, are likely to look for the resources that they need to develop themselves. Thus Stahl et al. (2007) conclude that companies offer talent extra opportunities for leadership development.

This is supported by the recent empirical work of Gelens et al. (2014; 2015), whose results confirm that in their case study organisations that high potential employees are offered additional mentoring and consultation with talent advisors, as well as the opportunity to attend networking events, and are evaluated constantly according to a talent review process. In addition, high profile junior employees are invited to attend a five-week seminar in the company’s academy, whilst senior talents are offered the chance to enrol on the company’s MBA programme. Hence, talent are dealt with above and beyond performance management practices.
2.4.2.2.2 Differentiated Commitment Management

Talent are scarce and worth fighting for; therefore it is suggested to follow a commitment-based HR system to manage it (see, Collings & Mellahi, 2009). The aim of a commitment HR configuration is to increase employee’s commitment via building psychological links between employers and employees (Arthur, 1994). In such commitment HR systems discretionary behaviours are encouraged among employees than other system such as the control configuration. For example, a commitment system in HR may be achieved through increased involvement for employees, by the firm listening to employees or through the provision of a pay system that incentivises employee. Nonetheless, in a differentiated approach of TM, little investigation has been undertaken to establish how to increase or retain talent. Stahl et al. (2007) identify retention management as part of TM, since retaining talent after they have been found, developed and invested in is perceived to be essential, yet this aspect of the process has received limited attention (Thunnissen et al., 2013a).

Somaya and Williamson’s (2011) research is one of the few studies that has examined talent retention conceptually. They advise shifting away from perceiving employee turnover purely as negative and suggest accepting it. Somaya and Williamson distinguish between various types of employee mobility and having different action to each type of turnover. They provide a decision matrix with employee values on the left and destination on the bottom of the matrix which refers to where employees are moving to, either to a competitor or co-operator, the matrix produces four different ways of dealing with turnover (see Figure 2.6).

Figure 2.6: Decision matrix by Somaya and Williamson (2011).

<table>
<thead>
<tr>
<th>Strategic importance</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quadrant 1</td>
<td>Defensive actions</td>
</tr>
<tr>
<td>Quadrant 2</td>
<td>Relational actions</td>
</tr>
</tbody>
</table>
Somaya and Williamson’s suggest that the higher the value an employee has, the higher the risk to the firm’s human capital and administrative costs if that employee leaves; nonetheless strategies to deal with turnover situations differ depending on the destination of the employees. If valuable employees leave to join co-operators, then employers can take defensive and relational actions, where the latter refers to the strategy of building a relationship with such an employee, keeping in mind the big-picture whereby employers should build and sustain positive relationships. On the other hand, the former requires internal changes to the work environment, better communication, and rises in salaries, actions that may demotivate employees from leaving.

If strategic employees leave to go to competitors, then the associated risk is higher. This requires that the firm takes defensive or retaliatory action; the first type of action was defined earlier, whilst with the second, employers use aggressive measures, such as threatening the employee or the future employer, to try to retain the talent. Additionally, firms pay particular attention to employees in the situations in Quadrants Three and Four in Figure 2.6 because of their value.

Talent retention and turnover is perceived as one of the challenges facing the management of talent; however these have received limited attention in academic research (Thunnissen et al., 2013a).

2.4.2.3 Section Conclusions

In this section three TM practices were discussed: identification, training and development, and commitment management. The studies presented have improved
our understanding of how talent is managed and thus clarified what is meant by

differentiation.

As for training and development, scholars make the assumption that talent care
about their future progression and need to be equipped with the resources, managerial
support and feedback they need (Stahl et al., 2007; Blass & April, 2008). To retain
talent, more than financial incentives are required, such as career plans and
development opportunities (see, Stahl et al., 2007). Furthermore, Somaya and
Williamson (2011) go so far as to suggest limiting the involvement of talent who
decide to leave in certain projects and developing contractual constraints around
taking jobs at competitors.

Thus it has been suggested that talent should be treated differently from other
employees and provided with resources that would not be available to them if they
were non-talent. This raises the important question of how talent and non-talent alike
react to such differentiated identification and treatment. This issue is explored further
in Chapter Three by applying three theories social exchange, social-cognitive and
organisational justice all discussed next.

2.5 Chapter Conclusions:

The aim of this chapter was to explore the development of the TM literature to
better shape our understanding of it before moving forward to the theoretical
underpinnings of this research. The chapter started by presenting seven selected
seminal texts in the field of TM 2001-2013 to shed light on the development of TM.
In brief, the review of such literature showed that researchers have tended to
conceptualise and narrate TM from the organisational level, at least during the first
phase of the literature. Next, four chosen research papers were discussed that could be
described as a new wave in the TM field 2013-2015, with a focus on employee
perceptions of TM. Those emerged, in part, as a response to the dominance of the managerial perception of what TM is and its intended effects as an attempt to address the absence of employee perceptions.

Finally Chapter Two considers the individual components of TM, the T (talent) and the M (management) here the main debates were presented and practices were discussed. Overall talent are seen to be a sub-group of the workforce who need to be managed differently. Three practices were seen to be commonly associated with their management: talent identification, differentiated training and development, and finally commitment management.

Additionally, as a result of this review, three issues emerged that could be viewed as limitations to the development of TM as a field. First, TM has been dominated by the Western context, both in how it has been conceptualised and in empirical research. Second, research into employees’ reactions to a differentiated approach to TM seems to have been absent until recently and even now only a small number of studies consider this topic. This leads onto a third issue, namely that individual perspectives are absent in the existing research, not only as far as employees’ reactions are concerned, but also as to how they view themselves. Talent is usually identified and conceptualised based on others’ rating of employees. Although it is suggested that this is a straightforward process, the reality, as demonstrated in the literature review is far more complex. Finally, the way employees rate and view their own if they are talent or not is neglected in TM. It is important to resolve these three issues in order to understand the deeper concerns in the identification of talent that potentially enables better deployment of effective TM. These points are discussed in detail in Chapter Three, section 3.6.

The next chapter explores the theoretical underpinning of TM effects on both organisational and individual levels by drawing from several theoretical perspectives.
The chapter then moves on to present a list of job attitudes and contextual behaviours that are significant in management research at large, yet have received limited consideration in the field of TM. This is followed by a discussion of the mechanisms that might offer an explanation for the variance in employee responses towards a differentiated approach to TM.
3 Chapter Three: Theoretical Review

3.1 Introduction

TM effects on both the organisational and individual levels are yet to be fully examined in the current literature. This chapter explores the suggested effects, both positive and negative, of a differentiated approach to TM at the organisational level, followed by a deeper investigation of the theoretical underpinning of its effects at the individual level. Finally the last section details unresolved issues in TM that have emerged from both the literature and theoretical reviews in this thesis.

3.2 Effects of Differentiated Talent Management on Organisational Level Outcomes

It has been suggested that a differentiated approach to TM adds value to the organisation, both in the area of improving cost effectiveness and improving its performance (see for example, Collings & Mellahi, 2009; Cappelli, 2008). While the focus of the present research is not at the organisational level, these perspectives are an important aspect of the TM literature and therefore worth reviewing briefly. TM scholars have proposed theories that may assist in explaining the positive effects of a differentiated TM approach at the organisational level, such as resource based view (RBV) (Lewis & Heckman, 2006) and the HR architecture model (Collings & Mellahi, 2009). However, other studies have considered the potential downsides of TM within organisations. This section aims to explore theories that may explain both the positive effects of TM, and its negative ones.

3.2.1 Differentiated Talent Management - Positive Effects

Building on theories of the resource-based view (RBV) (Barney, 1991), human capital theory (Becker, 1964) and the HR architecture view (Lepak & Snell,
1999), a differentiated approach to TM is viewed as cost-effective, possibly resulting in an improved competitive advantage for a firm. The fundamental role RBV theory plays in current research is to prepare the way for and create an understanding of how organisations can achieve a competitive advantage from their resources. In essence RBV argues that organisations need to create valuable and inimitable resources through *path dependency*, whereby organisations build up their resources over time (Barney, 1991). The RBV framework advocates developing resources internally to create internal strength and uniqueness in the firm, in addition to mapping the external market for anticipated threats and opportunities; as a result this balance may help achieve a sustained competitive advantage.

Within an organisation individuals differ in what they possess in the form of knowledge and skills and so their value to the organisation differs accordingly. Following human capital theory (HC) (Becker, 1964), it is argued that firms are inclined to develop the skills and knowledge of their HC only if this development adds to non-transferable skills that are more job-specific. Whereas generic skills, which are transferable, are left for employees to develop or employees will have to settle for lower wages (Becker, 1964; Lepak & Snell, 2002). Thus the HR architecture perspective bears in mind the different values and the uniqueness of the firm’s HC, taking into account what HR practices are suitable for each group so that eventually they can help the organisation reach its strategic goals.

The *HR architecture theory* developed by Lepak and Snell (1999) combines theories mentioned earlier, the human capital and the resource-based view, plus *transaction cost theory*. It distinguishes between four groups of employees who are allocated to four different quadrants according to two dimensions, value and uniqueness of each group; different human resource practices are then allocated accordingly (see Figure 3.1). Following RBV, the HR architecture model defines
strategic value as the employee potential to increase the company’s strategic gains, while employees’ uniqueness refers to human capital possessing skills that are firm-specific (Barney, 1991; Lepak & Snell, 1999, 2002).

Figure 3.1: The HR Architecture Model (Source: Lepak & Snell, 1999).

Building on these theories, TM is suggested to enhance organisational performance and competitive advantage by grouping and managing employees differently, according to employees’ uniqueness and value. As explained in Chapter Two, talent pools are filled with individuals who are high in value and uniqueness. They are managed differently to the rest of the workforce following a differentiated HR architecture model, using a commitment-based HR configuration, which then leads to them being deployed in the proposed pivotal positions (Collings & Mellahi, 2009). In doing so, Collings and Mellahi agree with Lepak and Snell that different employees have different values, and so, for organisations to benefit, they need to support these key individuals and ensure their commitment in the long run. The HR architecture model can be therefore used to suggest that TM offers a means of efficiently allocating organisational resources across a workforce to maximise the
return on that investment. Indeed, since Collings and Mellahi made this connection, the HR architecture model has been drawn on in a number of recent TM studies in the literature (e.g. Gelens et al, 2014).

While several theoretical reviews and also descriptive studies of TM at the organisational level have been published, there is a dearth of evaluative work on the effectiveness of TM in driving organisational performance. Perhaps an exception to this is the study by Bethke-Langenegger, Mahler and Staffelbach (2011), who tried to link TM to organisational performance by investigating the relationship between four types of talent strategies and organisational performance, based on a dataset of 138 Swiss companies. Data were collected using a web-based survey. Bethke-Langenegger et al.’s (2011) findings indicate that TM strategies which are focused on corporate strategy have a greater impact compared to the rest tested strategies on organisational outcomes such as company attractiveness, reaching business goals, customer satisfaction, and company profits; whilst talent strategies that focus on retaining and developing talent were significantly linked to HR outcomes such as job satisfaction, motivation, commitment and trust in leaders. This study seems to support a contingency or best-fit perspective of TM, in that alignment with different business strategies appears to lead to varying outcomes. However, the strength of their evidence is modest at best, considering that all variables were based on manager self-reports.

To summarise, more than half of the publications in the field consider that TM should contribute to firm performance (Thunnissen et al., 2013a). Although there is a lack of unity as to what TM’s intended organisational outcomes are, the literature is dominated by improved firm performance, profit (competitive advantage) and sustainability (a long run outcome) as potential TM outcomes. These publications mainly draw on theories of RBV, HC and the HR architecture model to base their
propositions. However, no strong evidence exists to support these claims. In addition, there are several alternative perspectives that question the positive effects of TM on organisational outcomes and these are reviewed next.

### 3.2.2 Differentiated Talent Management - Negative Effects

TM as a differentiated approach refers to the unequal allocation of resources between talent pools and the rest of the workforce, where talent receive more input than non-talent, because talent can potentially generate more benefits for the firm. According to organisational justice theory (Greenberg, 1990), employees who receive less favourable outcomes such as resources or being identified as talent or not may view TM as unjust because they perceive an unequal distribution of resources that may negatively influence their attitudes and behaviours. Gelens, Dries, Hofmans and Pepermans (2013) suggest when these negative behaviours are aggregated at an organisational level, then the larger group of employees (non-talent) are more likely to leave and show lower levels of commitment. This could be costly for the firm compared to the impact of the smaller group of talent. Marescaux, DeWinne and Sels (2013) found that the favourable perception of HR practices does impact positively on employees’ levels of affective commitment; nonetheless, they also found that the negative outcomes in larger groups who perceived HR practices less favourably outweigh the positive results.

On the theoretical side, Swailes (2013) questions the ethicality of TM and whether it has emerged predominantly to serve the firm. Swailes raises five ethical considerations: duty, virtue, ethics, distributive justice, stakeholder theory and utilitarianism. Swailes argues that if differentiation in TM is justifiable because it only benefits the organisation, then it should be considered unethical, because in this case, the duty to differentiate can only be explained by the self-interest of the organisation. Virtue and ethics relate to talent identification and, because it is unclear who talent
are, differentiation is problematic. Thirdly, in relation to distributive justice, Swailes argues that for TM to be ethical, resource allocation in talent programmes should not be conducted in a way that disadvantages the excluded individuals. Fourthly, regarding stakeholders, the differentiated approach should benefit other individuals throughout the entire organisation. Finally Swailes argues that benefits from a differentiated approach can be ethical if the approach is perceived as a means to the end of benefitting the entire firm, not as an end in itself.

Talent in the talent pool can also be costly for the firm. Stahl et al. (2007) suggest that having a talent pool where all talent are offered the same opportunities could result in having a homogeneous talent pool for the organisation and this may be problematic. As Stahl et al. (2007) briefly explain that individuals who are similar in their norms and values and are exposed to and offered the same opportunities for development and training, are likely to share similar characteristics. Indeed, recently van den Brink, Fruytier and Thunnissen (2013) explored TM in the academic sector and found that department heads tend to identify talent based on a set of criteria that is similar to their own characteristics, so creating a homogeneous pool that is perhaps lessen innovative and creative.

Additionally, Pfeffer (2001) believes that thanks to the notion of fighting the war for talent, TM tends to focus on recruiting externally and less on internal cultural systems and business processes. This can result in a demotivated workforce because the firm sources talent externally and in so doing glorifies those recruited outside the firm, which could perhaps increase employee turnover. Focusing more on recruitment and less on the cultural and business environment allows the firm to achieve some success through the employees recruited externally. However this can also result in negative emotions among employees who already work at the firm, and may not create an environment where the new employees can grow and flourish.
Indeed, climate could play a significant role in shaping employees’ perceptions; for instance the *HRM systems approach* (Bowen & Ostroff, 2004) suggests a link between HRM practices and firm performance mediated by *climate*. Bowen and Ostroff describe HRM systems as a process that sends signals to employees allowing them to make a collective response by interpreting what is expected from them and what is rewarded. Climate, in this narrative, is where employees share their understanding of the HRM system message and form a common understanding of what behaviours are expected and are likely to be rewarded. Bowen and Ostroff believe that organisations are better at managing employees in a climate where they share similar views and expectations that result in comparable behaviour and so lead to improved organisational performance.

TM then could be perceived as the other side of Bowen and Ostroff’s (2004) argument, featuring a weak kind of HRM system, because TM suggests differentiated management for different groups of employees, where talent and non-talent are likely to receive different messages (Malik & Singh, 2014). This may therefore result in weaker or divided organisational cultures, which may prove problematic for collective efforts towards organisational performance.

In brief, there are several theoretical and practical issues that suggest the effect of a differentiated TM approach on organisational performance may be rather mixed. Most of these focus on the negative impact of differentiated TM on the non-talent the workforce majority. Hence why better understanding of employee reactions to differentiated TM becomes relevant. The next section therefore considers the effects of a differentiated TM on employee performance, followed by its effect on work attitudes and contextual behaviours.
3.3 Differentiated Talent Management Outcomes for Performance at the Individual Level

TM research generally proposes that the influence of TM on organisational performance is mediated by employees’ performance, and it is only by improving individual performance that the firm’s performance is enhanced (Collings & Mellahi, 2009; Thunnissen et al, 2013a). This section utilises three theories to try and explain how differentiated TM approach might influence the performance of talent and non-talent.

3.3.1 The Ability, Motivation and Opportunity Framework

One of the frameworks most frequently used to explain drivers for increased individual performance is the ability, motivation and opportunity (AMO) framework. Its exact origins are unclear (Appelbaum, Bailey, Berg, & Kalleberg, 2000, Bailey, Berg, & Sandy, 2001), yet it is discussed a number of times by, for example, Boxall and Purcell (2008) and Boselie, Dietz and Boon (2005). The use of the framework has spread because of the explanatory power it offers.

The AMO model suggests that individual performance is a result firstly of the worker’s ability to perform, making it the organisation’s responsibility to identify the individual’s ability and what they are good at. Second, after their skills have been recognised, the firm provides incentives to motivate individuals to deploy these skills in their role and their performance. Yet for an individual’s skills to be transformed into practice, employees must be offered the opportunity to perform and demonstrate their abilities. Thus advocates of the AMO model suggest that firms ought to follow this performance equation to ensure improved levels of individual performance.

Building on the AMO framework above, TM suggests that talent pools should be filled with high-potential high-performing individuals; this represents the A in the framework. Additionally, talent are managed differently from other employees and so
are offered more of the firm’s resources and chances to participate (the ‘O’ in the framework). The M is achieved by combining the A and the O. Collings and Mellahi argue that a motivated talent pool can be created, because talent pools can be managed with a differentiated HR architecture approach and filled with talent by identifying high-potential, high-performing employees; this results in the final element, a motivated talent pool.

On the other hand, non-talent are less likely to improve their performance levels, rather they are likely to maintain their levels as they are. With differentiated TM, firms are focused on talent and are perhaps less likely to identify non-talent’s ability and so it is less usual for non-talent to be offered the chance to demonstrate their abilities, resulting in unmotivated, non-talent employees. Hence, according to the AMO model, differentiated TM approach should result in an increase in the performance of talent and a decrease in the performance of non-talent.

3.3.2 Goals Setting Theory

Locke and Latham’s (1990) goal setting theory may help to explain how differentiated TM could be motivational for both talent and non-talent. Goal setting theory suggests that people are motivated to work if they have a goal to aim for, Locke and Latham argue that the more specific the goal, the more motivated individuals are to perform in contrast to when individuals have a generic goal or no goal at all. Goals work as an internal incentive for individuals and so improve their performance. Locke and Latham add that the more difficult the goal, the more likely it is that the individual will work hard to attain that goal, since challenging goals force individuals to focus and they are less likely to be distracted. In addition, providing individuals with feedback can also improve the quality of their work because it provides guidance in relation to how individuals are performing. Finally, offering individuals the opportunity to participate in goal setting may increase the likelihood of
them attaining their goals, because this may increases their acceptance of the goal, motivating them to achieve it.

Building on Locke and Latham, being identified as part of a talent pool may enhance an individual’s career goals in relation to becoming a future leader. This may indeed act as an incentive for talent to improve their performance levels and motivate them to behave in a way so as to attain that goal. In addition, some members of the non-talent group may be motivated to try to join the talent pools and possibly self-set goals of their own to achieve higher performance levels and show potential that could result in them joining the talent pool. Therefore, according to goal setting theory, a differentiated TM approach could potentially generate greater motivation among both talent and non-talent and therefore enhance performance amongst both groups.

3.3.3 Expectancy Theory

Victor Vroom’s (1964) expectancy theory suggests that employees are motivated to perform under conditions where the results lead to an anticipated reward that is valued by the individuals themselves (Lawler & Suttle, 1973). Here Vroom argues that individuals are motivated to show high levels of performance if they know this will result in positive ratings from the firm or managers. The second positive relationship argued for by Vroom is that when the positive rating of performance is likely to result in rewards, but he adds that rewards are given under conditions of individual efforts rather than other factors such as seniority or nepotism. Finally these rewards should be of value to the individual, thus in combination, rewards motivate individuals to show high performance levels that lead to high ratings and for them to attain rewards that they consider worthwhile.

To relate expectancy theory to a differentiated TM approach, it is suggested that differentiation can motivate both employees who are perceived by the firm as talent and non-talent. First, talent are motivated to improve their performance because
they are treated differently and they wish to maintain access to differential treatment that offers them increased firm resources and a fast track to becoming future leaders. Second, for non-talent who would like to join the talent pool, they may improve their performance to show potential where the expected reward would be to join the talent pool. Alternatively, the theory also proposes that if talent perceive that the reward is not worth the extra performance or work they bring to the table, then lack of motivation will bring about a drop in their performance levels, as rewards are no longer valued. For non-talent, if joining the talent pools is perceived as an unvalued reward, they might show average levels of performance and not be motivated to improve them.

Additionally, expectancy theory stresses that employees’ motivation is influenced by how rewards are given to employees; if the process of how individuals are nominated to join talent pools is perceived as unjust by other employees, especially those who want to join the talent pool, then this may result in an unmotivated workforce. TM can indeed act as a motivator for employees, both talent and non-talent who have been incentivised to join the talent pool, to improve their performance; but this is likely to be dependent on how individuals perceive talent identification and consequent resource allocation.

3.3.4 Section Conclusions

According to the three theories presented above, differentiated TM can positively influence the performance of talent because talent are likely to be invested in enhancing AMO; having goals linked to career advancement and can expect to be recognised and rewarded appropriately for good performance. On the other hand, the effects seem to be much more mixed for the performance of non-talent. Much is likely to depend on the specific nature of the differentiated TM process in question. If non-
talent make joining the talent pool a goal, or if they expect to be rewarded for their improved performance by joining the talent pool, then the effects may be positive. However, reduced AMO because of lower levels of investment in non-talent and perceived barriers to joining the talent pool are likely to impede performance amongst this group.

The next section explores the influence of a differentiated TM approach on employees’ work attitudes and non-economic outcomes, this is important for research to explore particularly when it is difficult to collect performance data. The section then considers why these outcomes are likely to occur building on three theories; social exchange, social cognitive, and organisational justice theory.

3.4 The Effect of Differentiated Talent Management on Work Attitudes and Contextual Behaviour

The previous section considered explanations of why a differentiated TM approach may motivate individuals, both talent and non-talent, to improve their performance; nonetheless, it is useful to further understand what underpins these behaviours. This section presents the core attitudes that are of interest to this thesis, followed by a theoretical exploration of the effect of differentiated TM on individuals according to social exchange, social cognitive, and organisational justice theories.

3.4.1 Work Attitudes and Contextual Behaviour

Attitudes refer to the evaluation of an object or event, while behaviours are actions that follow which are determined by an attitude, while behaviour is generally identified as activities that impact on an individual’s position or work (Harrison et al., 2006). For example, forming an opinion about one’s job is an attitude (my company mistreats me); taking an action based on that view is behaviour (therefore I am resigning). According to ideas from attitudinal theorists, under certain conditions,
attitudes influence human behaviour (Fishbein & Ajzen, 1975). For instance attitudes that are significant for an individual are argued to be closely linked to their behaviour; other components such as compatibility feed in to this, so the smaller the discrepancy between attitude and behaviours, the stronger their correlation. Debates about the correlation between attitudes and behaviours are beyond the scope of this section (for details see for example Harrison, Newman & Roth, 2006; Glasman & Albarracín, 2006).

In the organisational context the two most commonly tested work attitudes are organisational commitment and job satisfaction. The significance of understanding and testing employees’ attitudes and behaviours in management research, and more precisely in differentiated TM, is their strong link to the probability of being able to deploy effective differentiated TM approach. Understanding how a differentiated TM may influence the attitudes and behaviours of employees, both talent and non-talent, could help to explain not only the impact of a differentiated TM on employees, but also uncover the foundations of its effects on organisations that implement a differentiated TM.

Based on the review of the four empirical pieces that test for employees’ reactions to a certain set of outcomes (section 2.3), one issue that was highlighted was that there are still several outcomes, that could perhaps be of significance to a differentiated TM research, which have had limited investigation.

3.4.1.1 Affective Organisational Commitment

Organisational commitment is a “powerful bridge” between effective TM and a firm’s performance (Collings & Mellahi, 2009,p.310). Organisational commitment refers to; “emotional attachment to, identification with, and involvement in the
organisation” (Allen & Meyer, 1990, p.1). Generally, Collings and Mellahi (2009) believe that firms are better off when they retain talent than when they lose them, and so, in the light of the notion of a person’s organisational fit for talent pools, they consider that talent are more likely to be committed when the firm’s values match their own. Indeed, several researchers have found that affective commitment is strongly linked to outcomes such as turnover (Griffeth, Hom, & Gaertner, 2000). Additionally, Lepak and Snell (1991) argue that implementation of a differentiated HR architecture model, by investing in the top few, leads to increased employee commitment. Thus established pivotal pools, as described in Collings and Mellahi’s (2009) framework, are managed differently from the rest of the workforce using a differentiated HR architecture approach, which may result in such pivotal pools containing committed talent.

A recent research paper by Marescaux et al. (2013) examined differentiated HR and employee favourability and the implications for employees’ affective commitment. Though this study is not in the field of TM, it is nevertheless significant because it found that employees in receipt of more favourable HR practices have higher levels of commitment than other employees. In TM terms, this group of employees could be represented by those in talent pools. Marescaux et al. study suggests that favourable HR practices and outcomes may indeed lead to higher levels of commitment. However, this is not always the case. For instance, Clinton and Guest (2013) investigated different HR practices across job levels and their association to three outcomes, one of which includes employee commitment and reached different findings from Marescaux et al. (2013). They conclude that differentiation in strategic HR practices is not necessarily associated with higher positive employee outcomes overall. These two projects are conducted at the level of employees, and so, similarly
in a differentiated TM a better investigation might be possible using employee-level research.

Indeed, in differentiated TM arena research that examines organisational commitment as an outcome are scarce with the exception of Gelens et al. (2015), who found support for a significant direct relationship between talent identification and affective commitment (see section 2.3.4 for greater detail). Nonetheless, when the same relationship was tested for talent as part of the management traineeships the direct relationship with AC became insignificant. Thus, Gelens et al.’s findings indicate that differentiated TM scholars need to be wary when testing for an association between talent identification and outcomes, because the different sources of talent may vary in their effects. Further investigations need to take place to test for different types of talent identification and its influence on employee levels of affective commitment. It is therefore important that affective commitment (AC) be empirically investigated.

3.4.1.2 Intention to Quit

A differentiated TM advocates repeatedly state the importance of employee retention, nevertheless, as discussed in Chapter Two few studies have considered this issue conceptually (Somaya & Williamson, 2011) and empirically (Björkman et al., 2013). Intention to leave refers to employees’ voluntary turnover that is not instructed by the firm and so depends on employees own will (Price, 2001; 1972). Employees leaving or staying at the firm, regardless if they are talent or not, is perceived as an important outcome in management studies, that have been examined in the last 50 years by management scholars and still do (Holton, Mitchell, Lee, & Eberly, 2008). How the firm treats employees is likely to affect their intention to quit and thus HRM can play a significant role in mitigating employee turnover.
A differentiated TM argues that managing employees differently is likely to decrease their intention to quit. Yet few studies have examined the effect of managing employees differently and its positive influence on employee outcomes. Björkman et al.’s (2013) research is one of the few that have done this and they found a negative relationship between talent identification and intention to leave. Their findings indicate that employees who are perceived as being identified as talent are less likely to leave than those who are not. Nonetheless, Björkman et al.’s (2013) conceptualisation of talent identification is rather vague and their findings may be explained by other factors, rather than the influence of talent identification on turnover. Talent retention is one of the practices that is identified by several TM texts (e.g Stahl et al., 2007), but despite this it has received little conceptual or empirical exploration and thus the way in which differentiated TM influences employees’ intention to leave is perhaps worthy of research.

3.4.1.3 Extra Role Behaviours

Extra-role behaviour (ERB) refers to additional discretionary work that goes beyond the requirements of the employee’s own role and is undertaken on a voluntarily basis. ERB can take two forms, help and voice (Van Dyne & LePine, 1998). Help refers to behaviours that stress minor actions that are cooperative in nature and uncontroversial, which help in building and maintaining relationships as well as increasing personal harmony. Voice, on the other hand, is a behaviour that stresses expressing opinions and constructively criticising the firm, along with providing recommendation for change, even if others do not approve. Thus, over the years, evidence has suggested that extra-role behaviour is significantly linked to
positive outcomes such as the firm’s effectiveness, and negatively to outcomes such as employee turnover (Podsakoff, MacKenzie, Paine & Bachrach, 2000).

Collings and Mellahi (2009) suggest that extra-role behaviour is a valuable outcome of effective TM. They argue that pivotal positions demand quick adaptation by talent, since such roles are continuously changing and so innovation is needed. Boudreau and Ramstad (2005; 2007) also suggest that the return on HR investments for pivotal positions could be measured using employees who go beyond their in-role requirements. Collings and Mellahi (2009) explain that extra-role behaviour triggers attitudes such as acceptance of an imperfect working environment; readiness to help co-workers; concern for the firm’s wellbeing, and involvement in the decision-making process. Because of the nature of talent and the positions talent will potentially fill, extra-role behaviour would appear to be a significant requirement of talent.

By contrast, talent identification and differentiation management may not encourage ERB, rather it could lead talent to react in the opposite way. For instance, differentiating talent from other employees may result in boosting their ego, leading to a reverse effect where talent request more from the firm, such as pay and development opportunities, while exhibiting less motivation to learn and perform. Recently the TM literature has referred to this potential negative effect as crown-prince syndrome (Dries & Pepermans, 2008; Dries, 2013a). That refers to individuals becoming less motivated to learn or work when garnetted a senior role. Nonetheless, no evidence has been found for either proposition, therefore ERB remains an important outcome to examine in different context.

3.4.1.4 Section Conclusions

Three conceptual outcomes were suggested as part of differentiated TM outcomes, despite little empirical evidence, namely affective commitment, intention to
leave and extra-role behaviour. These concepts are hypothesised to provide a bridge between effective TM and employee outcomes. This section has identified these concepts and considered research which supports their relevance. The following section discusses the mechanisms that may offer an explanation of why it is that a differentiated TM has the outcomes it does.

3.5 Mechanisms that Underpins Differentiated Talent Management Effects

This section explores theories of social exchange (Blau, 1964) social-cognitive (Bandura, 1982), and organisational justice (Greenberg, 1990) to establish a theoretical framework upon which to investigate the effect of differentiated TM on the four attitudes and behaviours identified in section 3.4.

3.5.1 Social Exchange Theory

Social exchange theory is one of the most influential theories used to understand behaviours that relate to work settings and management research (Cropanzano & Mitchell, 2005). Blau (1964) contributed to the exchange literature by differentiating social from economic interactions between two parties. Economic exchanges are based on contracts and clearly state the nature of the exchange and expectations on the part of both parties, whilst social exchanges involve favours that result in future obligations between two parties, the nature of these obligations are discretionary, voluntary and not bargained.

Future returns from a social exchange are left to an individual’s discretion. Thus, in management research, a focus is on the rule of expectations of reciprocity in the exchange relationship (Cropanzano & Mitchell, 2005). Reciprocation occurs in relation to an interdependent outcome that needs the cooperation of two parties to be accomplished and is thus perceived as characteristic of the social exchange. Nonetheless, the cycle and process of reciprocation are of a vague nature, since each
party depends on the other party involved and the process is centred on implicit bargaining. In sum, social exchange theory suggests non-explicit bargaining between two parties that depends on expectations of received benefits, contingent on the other party’s behaviour and judgement.

Secondly, the notion of trust is that the obligations of the different parties will be met in the future (Cropanzano & Mitchell, 2005). Because of the unclear rules regarding reciprocation in social exchange, it is essential that each party trusts that the other will fulfil their part of the agreement in the future. For each party to exchange positively, their expectations must be met before the cycle of exchange can start over again. This obligation can take different forms and may result in discretionary behaviour on the part of the employee towards the organisation. Yet, if employees perceive that these obligations are unmet, this may influence their view of their employer and also their perceptions of justice.

The identification of what it means to be part of or to be excluded from talent pools may be perceived as bringing the employer into a contract with its employees; the employees are then expected to reciprocate (Björkman et al., 2013). If an individual has been identified as talent, then this may signal recognition of the workers’ value from the employer’s side and so such individuals will reciprocate positively to ensure they live up to their employer’s identification and fulfil their part of the social contract. Additionally, it is suggested that being part of a talent pool opens up talent to benefit from more practices, exposure, differentiated training, development and retention strategies. According to social exchange theory this could be interpreted by talent as confirmation of the fulfilment of the firm’s side of the obligation and trust in their employers. Consequently, talent are likely to reciprocate positively to fulfil their part of the obligation and so influence their outcomes (Gelens et al., 2013; Malik & Singh, 2014). On the other hand, and building on social
exchange, in cases where employers provide talent with less than expected, the talent may lose trust that could potentially influence their outcomes negatively. Thus, based on social exchange theory, a differentiated TM is likely to influence talent positively, except when employers do not fulfil their side of the contract.

On the other hand, the exclusion of non-talent from talent pools may lead them to infer that they are less valuable to the firm, so they feel that they owe little to the employer, which may influence non-talent behaviours negatively. Because employers in such cases are creating imbalances in the social structure between themselves and their employees by excluding them from talent pools, this causes non-talent to react negatively to restore the lost balance. Alternatively, non-talent may have no reason to reciprocate positively; rather they may maintain the same level of performance.

Recently Björkman et al. (2013) explained findings from their research on the differentiated TM approach using the social exchange lens and the notion of reciprocation. They argue that employees perceive inclusion in talent pools as showing they are valued and demonstrating their employer’s support and commitment to them. Being managed according to differentiated TM leads to confirmation that the employer is offering support. Ultimately in exchange, talent reciprocates positively to the employer’s investment. However non-talent reciprocates negatively, as they feel unsupported by the firm or believe that the employer is not fulfilling their obligations and therefore react negatively. Björkman et al.’s research was explained in greater details in Chapter Two, section 2.3.1.

3.5.1.1 Social Exchange Theory Concepts and Conclusions

Social exchange theory offers an explanation of the implied social contract in the employee-employer relationship; nonetheless, it provides no explanation of the influence of differentiated TM on employees themselves, which is then
reflected in their attitudes and behaviours. In management settings, social exchange theory has been commonly conceptualised as perceived organisational support (POS) or, at the individual level, as leader-member exchange (LMX) (Cropanzano & Mitchell, 2005).

First, POS is proven to influence outcomes such as job performance, absenteeism and organisational citizenship behaviour (Cropanzano & Mitchell, 2005; Wayne, Shore, Bommer & Tetrick, 2002). In differentiated TM, Gelens et al. (2015) found evidence of significant indirect effects for POS between employees’ identification or not as talent and affective commitment. Gelens et al. found that employees who are identified as talent by the firm receive more support and thus reciprocate positively by having higher levels of affective commitment, while the opposite is the case for those not identified as talent (for details see Chapter Two, section 2.3.4).

The second concept in relation to social exchange theory is LMX, which examines the employee/supervisor relationship, and as such focuses on the immediate relationship and not the organisation as whole. When comparing POS and LMX, strong evidence has been found showing a link between LMX, organisational citizenship behaviour (OCB) and job performance (Cropanzano & Mitchell, 2005; Wayne et al., 2002; Podsakoff et al., 2000; Holtom et al., 2008). Social exchange as a theory depends on the notion of reciprocation, so POS is helpful in evaluating the employer/employee relationship. Nonetheless, LMX applies more directly to the immediate relationship between employees and their supervisors and it can be suggested that employee outcomes such as OCB and job performance are better examined if the social exchange is conceptualised by LMX.

Recently TM scholars have showed an interest in examining TM using insights from social exchange. This might be because social exchange theory is
able to offer an explanation from both employer and employee perspectives and so potentially offers a better understanding of TM (Dries, 2013b). In that social exchange mechanisms can be helpful to test the relationship between employer and employee nonetheless, limited research in TM have examine this relationship and has focused on the practices (Thunnissen et al., 2013a). There is still scope for greater investigation of social exchange theory with respect to differentiated TM.

3.5.2 Social Cognitive Theory

Being identified as talent (or not) is likely to influence the way in which individuals view themselves. Concepts such as self-esteem and self-efficacy are derived from social cognitive theory (Bandura, 1982), which relates to the process through which (self) knowledge is in part derived from what one observes in the social environment. Self-esteem reflects an evaluation of individual characteristics and determination of self-worth and self-liking, whilst self-efficacy is similar to self-esteem and is derived from cognitive theory, but differs slightly in that it relates to one’s belief in one’s ability to perform a particular task (Bandura, 1982). Both concepts can be important in explaining behaviours that underpin individual performance.

Bandura (1982) provides four determinants for individuals to develop their self-efficacy, which are similar to those that influence levels of self-esteem. First is enactive mastery which Bandura regards as one of the strongest of the four determinants and which is based on individuals’ own experiences, in other words enactive mastery is attained by experience. Second is modelling where individuals increase their self-efficacy by watching others: “if he/she can do it then I can do it”. The third determinant is verbal persuasion, which may be achieved through feedback from others or comments on one’s ability. The Fourth is psychological arousal,
which, Bandura explains, can either be positive, for example excitement, or negative, such as stress. The judgement of the individual on their own level of arousal determines the likelihood of their level of self-efficacy increasing or decreasing.

Gist (1987) argues that self-efficacy is involved in what is known as the *pygmalion effect*. This effect proposes that individuals are motivated to act positively when others expect them to do so, this can be through messages employees interpret from their firm. In management settings, employees are motivated to act in a manner that matches with their manager’s expectations of them. Livingston (1988) adds that individuals behave as they are told or treated. If managers have low expectations of employees and treat them as such, employees are likely to show low levels of self-esteem and low productivity to meet their managers’ expectations.

Extending this thinking to TM, being identified as talent is perhaps likely to encourage employees to act like talent, and for non-talent to act like non-talent, due to the influence of talent identification on self-efficacy. Indeed, Pfeffer (2001) suggests that a focus on star employees may result in a reverse self-fulfilling prophecy, where non-talent are less able to perform and grow because they have been informed or treated in a way that implies they are not able to. Talent on the other hand based on their identification, increases what they think their managers’ expect from them and thus might increase their levels of self-efficacy. For example, talent are provided with coaching, mentoring and career management, as well as being more likely to receive feedback, and therefore increases talent self-worth. On the other hand, talent identification may also influence the behaviour of talent negatively, because once they have been identified they may no longer be psychologically motivated to demonstrate their skills and this may have a negative influence on their attitudes and behaviour.

However, there may be a cost associated with the high levels of self-efficacy associated with talent identification. As Pfeffer (2001) suggests, one outcome could be
talent becoming arrogant and less motivated to learn, similar to the crown prince syndrome referred to earlier (Dries & Pepermans, 2008). Therefore self-efficacy and self-esteem are interesting mechanisms to explore when considering the outcomes of talent identification.

3.5.2.1 Social Cognitive Theory Concepts and Conclusion

Social-cognitive theory has been tested in organisational research using occupational self-efficacy (OSE): “namely one’s belief in one’s own ability and competence to perform successfully and effectively in different situations and across different tasks in a job” (Schyns & Von Collani 2002, p.227). By developing a general scale that relates to all occupations and organisations, Schyns and Von Collani tested the association between OSE and work-related outcomes. Their findings suggest that OSE is positively related to LMX and job satisfaction and is closely correlated with AC. Elsewhere, a meta-analytical study by Stajkovic and Luthans (1998) suggested that self-efficacy is a good predictor of work-related performance in comparison to different personality trait measurements.

Self-efficacy and self-esteem are interrelated, nonetheless, the first is more task-oriented and the second is a personality trait. So self-esteem in relation to work settings could be tested using organisation-based self-esteem (OBSE) defined as those factors in the organisation that contribute to an individual’s sense of self-worth. Pierce and Gardner (2004) reviewed the literature on OBSE over the past decade and conclude that it is an important concept to test because increased OBSE relates to positive employee behaviours such as commitment and citizenship behaviour, and negatively to turnover. In relation to TM, this may offer an exploratory avenue to answer the question of why employees, both talent and non-talent, vary in their reactions to a differentiated approach.
3.5.3 Organisational Justice Theory

Colquitt, Greenberg and Zapata-Phelan (2005) provide a thorough review of the emergence, significance and effects of organisational justice in the modern era. The concept of *organisational justice* was first coined by Greenberg (1978) who defines it simply as the individual’s perceptions of fairness in the organisation. Organisational justice is the overarching term and covers three main sub-areas of justice that involve workers’ lives in the organisation: *distributive*, *procedural* and *interactional* justice. Only the first two are presented in this section because interactional justice may be of less relevance to differentiated TM, since most organisations offer a discreet differentiated TM strategy (Gelens et al., 2013). Interest in people’s perceptions of justice has expanded because of the consequences on the individual’s attitudes and behaviours. For example, perceptions of justice may lead to an increased acceptance by individuals of the firm’s legitimacy, and they may consider it less likely that the firm will mistreat its employees. The opposite is the case when there are perceptions of injustice.

3.5.3.1 Distributive Justice

Distributive justice relates to fairness in the distribution of resources and outcomes received, such as pay and promotions. In relation to distributive justice, Colquitt et al. (2005) cite a number of scholars who have explored the concept of resource fairness, including Adams (1963) who did so in his *equity theory*. They suggest that equity theory is one of the most important theories, which can be used to explain the consequences of perceptions of fairness, and, more significantly, that trust brings visibility to concepts of fairness. Equity theory suggests that individuals compare themselves to a referent other after deciding on a ratio of their inputs and
outputs and then reach a fairness decision. Inputs for individuals might be level of education, skills, and training, whilst outputs are the resources received from the firm, such as rewards and management style.

If the individual’s comparative result is that he/she is underpaid compared to the referent other, then an injustice view is formed which may result in negative outcomes such as anger. On the other hand, if the comparison suggests that he/she is overpaid compared to the referent other, then there is perceived injustice, which may lead to feelings of guilt as a negative result. Adams explains that an empirically investigated feeling of underpayment may motivate individuals to improve their performance to overcome this inequity.

Differentiated TM approach, to some extent, depends on the unequal allocation of resources, with more for talent and less for the rest of the workforce. Accordingly, this may influence talent positively or negatively, based on equity and perceptions of distributive justice. In the first situation, if talent perceive their inputs (for example, skills, education and training) and outputs (such as economic and non-economic rewards) as deserved, then they are more likely to view differentiation as fair. They are then likely to show positive levels of behaviours and attitudes. In the next scenario, employees may view themselves as non-talent although their employer thinks otherwise, and so offers them more resources. Here the input/output ratio is perceived as inequitable, leading to feelings of guilt and perceptions of unjust differentiation may result. These feelings of guilt, however, may impact positively on the individuals’ performance so that they increase their inputs to match their outputs. In situation three, employees perceive themselves as talent while their employer does not agree. This may lead to the employees believing that their input/output ratio is inequitable, thus they are likely to show negative signs such as anger and to perceive differentiation as unfair. While in scenario four, if an employee perceives their inputs
to be low and believe that the outputs received by the firm match their input levels, then they may perceive differentiation as fair and so show indifferent levels of performance.

Recently ideas about the perception of distributive justice in TM have been proposed by Gelens et al. (2013), who suggest several propositions in the TM field that are worth examining, one of which focuses on distributive justice. Due to the unequal allocation of resources in TM, Gelens et al. hypothesise that perceptions of injustice among employees may indeed be stronger than perceptions of justice. Because talent represents the minority group and they receive more resources than non-talent, this leads to high levels of perceptions of justice among a minority group of employees whilst the rest of the workforce are likely to perceive such unequal allocation as unjust.

3.5.3.2 Procedural justice

The procedural justice (PJ) wave originated as a response to equity theory and its limitations in ignoring the process of how resources are distributed. This concept refers to the basis on which and the process by which resources and outcomes are distributed to individuals (Colquitt et al., 2005).

This section highlights two works by Leventhal (1980) that conceptualised and formulated rules of process fairness. Leventhal argue that for a process to be perceived as fair, it first has to be consistent over time and with different individuals. Second it must be uninfluenced by self-interest and the basis for the formulation of the procedure should be accurate, as well leaving room for modification, so that it will represent the values and norms of the groups it will influence. Finally it should adhere to the fundamental morals and ethics of the group.
Colquitt et al. (2005) suggest that PJ might neutralise employee outcomes in terms of resource distribution. They explain that; “the effects of unfavourable outcomes were mitigated by the presence of high procedural justice” (Colquitt et al., 2005, p.28). In other words, they are viewing PJ as a moderator variable.

PJ as a mechanism may therefore mitigate the downside of unequal allocation in TM. Having a clear consistent process showing how someone can become talent and the basis on which allocations are made may indeed remove the ambiguity from the allocation. Contingent on high levels of PJ, TM need not affect non-talent negatively. Gelens et al. explain the effects of PJ, first in regard to the talent identification process, and suggest that the clearer the process for employees’ exclusion or inclusion as talent, the more likely they are to accept a differentiated management of TM. Secondly, they argue that, if the process is fair, then PJ suggests that employees, both talent and non-talent, are likely to predict their future outcomes and so react positively to unequal resource allocation in TM.

3.5.4 Section conclusions

The aim of this section was to shed further light on how TM as a differentiated approach may influence employees’ attitudes and behaviours. To do so, three theories were discussed: social exchange theory (Blau, 1964), social cognitive theory (Bandura, 1982) and organisational justice theory (Greenberg, 1990). First, social-exchange theory suggests a reciprocation principle whereby talent are more likely to show positive outcomes than non-talent, because they perceive their talent identification as an indication from the firm of their value and of the firm’s support of them, while non-talent perhaps perceive the opposite. Hence, social-exchange theory helps to explain the effects of a differentiated TM on the basis of the employer/employee relationship.
Second, social cognitive theory (Bandura, 1982) is possibly useful to explore how individuals may interpret differentiated TM and thus influence their attitudes. It was suggested that talent are likely to show higher levels of self-efficacy for several reasons: first, after their identification, talent are perhaps motivated to live up to that identification and so reciprocate positively. Based on resource allocation, talent benefit from more resources than do non-talent and so have more opportunities to acquire knowledge. Therefore, the concept of self-efficacy may be helpful in understanding the influence of TM on employees’ self-evaluation in a way that may later influence their attitudes, behaviours and performance.

Finally, the roles of distributive and procedural justice were considered, DJ is proposed to explain talent identification and the unequal allocation of resources in TM, whilst it is suggested that PJ plays more of a buffer role to the negative side that may emerge from the differentiated TM identification and practices. Here it is claimed that, regardless of the outcome, if employees both talent and non-talent perceive procedures to be fair, then they are likely to accept their outcomes. PJ and DJ can be useful in understanding employees’ reactions to differentiated TM and how these can potentially support the effective implementation of it.

3.6 Limitations of Previous Differentiated Talent Management Research

The discussions of TM and the effect its differentiated approach may have on both organisational and individual levels over Chapters Two and Three, have resulted in five issues being identified with warrant further consideration: the dominance of Western contexts in the TM literature; the importance of employee reactions to TM; and the multiple sources of talent identification. Additionally, there are limitations on the mechanisms of why employees react differently to differentiated TM and how to
neutralise the reaction of both talent and non-talent. This section will highlight these and discuss them further.

3.6.1 Neglect of TM in non-Western contexts

Recently researchers have stressed the importance of context when studying TM and urged for studies to take place in different locations globally to help create an understanding of what factors, such as values, norms or government regulations shape or disable TM (Al Ariss, Cascio & Paauwe, 2014). Iles et al.’s (2010) study concludes by suggesting that TM has been globally implemented and that similarities do exist between their data and results obtained from a Western setting. Yet despite Iles et al.’s (2010) conclusions, to suggest that TM is globally practiced and perceived in a similar manner is risky, as yet, there is limited evidence as to how universal TM is.

Cultural characteristics vary across the world and what may be of value for individuals in one nation, may be viewed differently in another. Indeed, according to Hofstede’s (1985) cultural dimensions, in countries that are high in power distance, employees are more likely to accept unequal distribution of resources than individuals in cultures with low power distance levels. Additionally, the collectivist-individualistic dimension implies that if a society is perceived as an individualistic society, individuals tend to take care of and depend on themselves, while in a collectivist society, individuals rely on being part of the group. In relation to differentiated TM, cultural characteristics can perhaps influence employees’ perceptions of TM differently.

Therefore, research based in a non-Western culture such as the Gulf States is needed to better understand TM effects on individuals that may suggest whether the results from studies such as Iles et al (2010) are generalisable.
3.6.2 A Growing Recognition of the Importance of Employee Reactions to TM

At the point when this initial review of the literature was conducted, few if any studies examined the effect of TM on employees’ behaviours and attitudes. While strong arguments had been presented regarding the positive effects of a differentiated TM approach for organisational performance, not everyone necessarily agreed with this. For example, Swailes (2013) questions the ethical issues associated with TM. As early as 2001, Pfeffer questioned whether the war for talent was the right war to be fighting, because it may lead to the greater part of the workforce becoming demotivated and those identified as talent becoming arrogant and individualistic. In terms of research, Clinton and Guest (2013) found that differentiation of strategic HR practices is not associated with disproportionately more positive employee outcomes for those receiving the most practices (across hierarchical job levels) within UK firms. Therefore there is a considerable gap in the TM literature that employee level studies can fill.

In recent years this issue has caught the attention of researchers in the field, such as Björkman et al. (2013), Gelens et al. (2014, 2015) and Sonnenberg et al. (2014), who have all conducted employee-level studies of TM. However, these studies had not been published during the initial literature review underpinning this research. It is suggested that differentiation is one of TM’s most important characteristics and that for TM to move forward researchers must examine such differentiation and should aim to study employees’ reactions systematically; this will enrich our view of its advantages and disadvantages, and indicate how to make it work best for both employers and employees.

3.6.3 Ambiguity about the Identification of Talent within Organisations

The earlier part in the literature review investigated the close link between the T and the M in talent management, section 2.4; talent was perceived as a result of
others’ ratings of whether individuals are talent or not. Additionally the second part of the investigation focused on the M, examining the tools and procedures used for the identification of talent, which depend on others to rate talent. For instance, in the first argument regarding talent as individuals versus positions, it is managers who determine which positions are pivotal and, accordingly, who is considered talent. However, talent are chosen using process and tools, such as Mäkelä et al. (2010) two-stage process, or 360-degree assessment and assessment centres discussed by Ready and Conger (2007) and McDonnell and Collings (2011). Clearly, talent are identified in a variety of ways and at potentially different stages within the employment relationship. There has been very little work to compare the effects of different approaches to talent identification on outcomes, which results in a knowledge gap.

Dries (2013a), on the other hand, draws attention to the concept of “possible self” and its association with one’s future potential, suggesting that individuals hold in themselves their potential self, ideal self and fear self these are the self they could become, the self that they would like to become, and the self they fear to become respectively. Dries argues that evidence from experimental studies shows that visualising one of these self-images in a particular domain, along with feedback, leads to that self-image becoming a reality. Potential is difficult to measure because it is foremost about predicting the future and thus may be seen as the innate element in talent identification, whereas current performance refers to the nurture element. This raises an important question in the field of talent identification, namely the self-rating of employees and its association with employees’ behaviours and attitudes. Talent identification seems to be complex and the sources of talent identification have yet to be systematically examined.
3.6.4 Limited examination of mechanism of association between TM and outcomes

Recent work on TM has begun to propose potential theoretical venues that could help in explaining employees’ behaviours, for example Björkman et al. (2013), nonetheless these studies are limited and this gap in the TM literature needs to be filled. Both positive and negative TM effects have been proposed but not tested. On the positive side are the pygmalion effect, and self-fulfilling prophecy- tell talent they are so and they will reciprocate positively to meet employers’ expectations; By contrast, crown prince syndrome is a negative effect- tell talent they are an elite group, then their motivation to learn and perform decline (e.g Preffer, 2001; Dries & Pepermans, 2008). Yet no study to date has actually examined any mechanism that is linked to these concepts, thus using the concepts from social-cognitive theory could potentially add value in this regard.

Social exchange theory has received slight attention in TM, and later found support for POS as a mediator between talent identification and employee outcomes, but the role of line managers has been largely ignored, despite numerous times mentioned in TM literature (e.g Stahl et al., 2007; Ready & Conger, 2007). Line managers play a significant role in making or breaking the TM system in a firm, since they are the ones who are in direct interaction from the start in talent identification and, later, in development and training. How do managers influence the reciprocal relationship between themselves and their employees’ talent and/or non-talent? The concept of LMX from social-exchange theory seems to be relevant to successful implementation of differentiated TM in addition to having strong associations to several management outcomes such as citizenship behaviour. Thus, it might be worth investigating TM with respect to LMX to explore how significant a role managers have in shaping employees outcomes in differentiated TM.
3.6.5 Limited understanding of how the negative effects of TM may be buffered

Unequal allocation in TM, as discussed earlier, has its consequences for employees’ perceptions of justice. Previously, in relation to distributive justice, it was suggested that employees who are talent are more likely to hold the view that TM is fair than the majority of workers. Yet Gelens et al. (2013) propose that PJ may minimise the negative impact of TM on the rest of the workforce, the majority. This section builds on the work of Gelens et al. and discusses the possible moderating effect of PJ in buffering the negative effect of differentiated TM.

If you cannot give the people the outcomes they want, you can at least give them a fair process (Cropanzano, Bowen & Gilliland, 2007, p.43, in Gelens et al., 2013, p.348). Gelens et al. (2014) tested PJ as a moderator, as explained earlier in Chapter Two (section 2.3.3), to examine the relationship between distributive justice, work effort and job satisfaction and whether PJ could indeed buffer the negative impact of unequal resource allocation. Gelens et al.’s (2014) findings indicate that talent who are offered more resources are likely to perceive higher levels of DJ, while non-talent perceive lower levels. When the moderated mediation effect of PJ was tested, they found that it was significant for work effort; when PJ is perceived high then the negative influence of low perceptions of DJ is mitigated. Hence, Gelens et al. suggest that employees are willing to accept inequality in resource distribution under certain conditions, and if, when, why, and how this takes place are explained.

PJ may indeed play a significant role and has fundamental implications in differentiated TM as shown by Gelens et al. (2014). One of the significant values of Gelens et al.’s study comes as a response to scholars who are against the notion of a differentiated TM approach. Drawing on Gelens et al. (2014) we can argue that the excluded group (non-talent) may indeed accept this approach and behave more
positively when it is perceived to be just, than if it is considered to be unjust. Nonetheless, empirical work has only been conducted using a limited number of employee-related outcomes and with one source of talent identification, namely employees who are identified by their organisation after joining the firm. Thus the effect of PJ and its use in TM is warrants further exploration.

3.7 Chapter Conclusions

This chapter aimed to explore why it is proposed that TM has positive effects, through a review of the academic literature to date. Drawing on varied theories both negative and positive effects of TM were considered, both at the organisational then the individual level. This was followed by an exploration of key work attitudes and contextual behaviours that have thus far received limited exploration in differentiated TM, with a brief explanation of why these outcomes may be worth testing. Finally three theories and associated concepts were suggested as potential mechanisms that may explain variation in employee responses to differentiated TM.

The chapter concluded with consideration of the unresolved issues that have emerged. Five main areas were highlighted: first, the dominance of the Western context in conceptualising and researching TM and its drivers; Second, research into employees’ reactions to TM seems, until recently, to have been absent and even now only a small number of research papers are available on this topic; Finally, individual perspectives are absent in the research, not only with regard to the way employees react to TM, but also to how they view themselves. Talent is usually identified and conceptualised based on others’ rating of employees, and the way employees view themselves has been neglected. This said, limited explanation is available in the differentiated TM literature of why employees both talent and non-talent, react in such way and how firms may overcome the negative aspect of TM. It is these five issues
that the present research addresses. Over the course of two studies conducted in the GCC, one based on qualitative interviews with managers and TM experts, and the second based on quantitative surveys with employees, a number of research questions are examined. These research questions, which are presented later in the thesis, and the findings that relate to them, aim to contribute knowledge to the TM literature with regards to these five gaps.
4 Chapter Four: Methodological Approach

4.1 Introduction

This methodology chapter explores the different research strategies that were considered for this thesis. First, the aim of this dissertation is presented, followed by reasons for adopting a mixed methods approach. Next the context of the study is presented and followed by a discussion of the different strategies used, which raises some issues in qualitative research, followed by consideration of quantitative research. This chapter outlines the methodological approach used in this research, however, greater details of study one and study two are presented in Chapters Five and Six respectively.

4.1.1 Aims of The Empirical Research

The broad aim of the thesis is to provide an understanding of what TM means in the banking sector of GCC countries and to examine a range of employee responses to the differentiated TM approach. To achieve this a mixed methods research model was perceived as appropriate and two studies were conducted: the first was qualitative in nature, while the second used quantitative methods. Study one investigates the presence of differentiated TM in the banking sector of the GCC area, and seeks to understand how similar or different this is from a Western perspective of differentiated TM. More precisely, study one explores what talent and TM means from the point of view of managers and experts, and what practices are used to manage talent in the region. Study two, by contrast, focuses on employee responses to differentiated TM. Study two seeks to examine the different sources of talent identification in differentiated TM; their potential impact on four sets of key employee
outcomes; and what mechanisms might shape employees’ reactions to differentiated TM.

The use of a mixed methods approach made sense for several reasons in order to reach the overall aim of this research. First, because of the limited amount of empirical TM research generally and TM in the GCC countries specifically that was available at the start of this thesis in 2010/2011. Additionally all of the available TM literature that explored the GCC states or Arab countries in the Middle East has been purely conceptual (Ali, 2011). It was not until 2014 that Sidani and Al Ariss collected empirical data on managerial perceptions of TM in the GCC countries. Hence, study one was essential to provide an overview of how talent and TM are perceived in the GCC states and to assess future research in the region.

Second the field of differentiated TM lacks clarity on the effectiveness of TM, because of the dominance of a managerialist unitarist approach (Thunnsien et al., 2013a; 2013b). What we know so far about differentiated TM and its effects on both employee and organisational outcomes is mostly conceptual, with limited empirical research that has investigated its effects on the individual level. In order to move the field forward, scholars have recommended the need to move towards a pluralistic approach to TM that involves employees as part of the investigation (Collings, 2014). Additionally, at the time the research was designed, the TM literature was still dominated by the collection and analysis of case studies and qualitative data (see, Stahl et al., 2007; Iles et al., 2010; Höglund, 2012). This has helped to better conceptualise differentiated TM, but had not empirically tested its effects on employees’ attitudes. It is only recently that this issue started to be of interest to TM scholars (e.g. Björkman et al., 2013; Gelens et al., 2014). Thus, examining TM from an employee level is essential for understanding the effects of differentiated TM,
which is why a quantitative study was an important method to consider and incorporate into this thesis.

Nevertheless, there is a third reason for a dual study approach, namely that those research papers available that do examine employee responses have tended to investigate multiple sources of talent identification and have considered limited mechanisms of why employee reactions vary. The four studies presented in Chapter Two shared a common goal of examining employees’ responses to differentiated TM, yet the way these scholars approach talent identification differed: Talent identification as employees’ perception if the firm had identified them as talent or not (Björkman et al., 2013); talent as employees identified by the firm (Gelens et al., 2014); talent as the perception of employees themselves (Sonnenberg et al., 2014) and finally talent being identified before joining the firm (Gelens et al., 2015). These different ways of talent identification show how diverse talent sources are between and within firms, thus it was essential to understand how this applied to the GCC region’s banking sector.

Additionally having a two stage research process is common practice in the TM field. Because TM differs from one context to another, empirical studies tend to conduct preliminary discussions, emails or interviews with members of organisations, before conducting the main employee level study. For example, as a first step Björkman et al. (2013) collected company specific terminology so that these could be used to make the questionnaires easier for employees to understand. In their case, they provide an example of the different uses of companies’ terminologies in relation to the talent review process. Building on the above, the qualitative research in this thesis forms an initial stage to overcome any contextual issues that relate to how talent and TM are practiced in the GCC banking sector.

Moreover, study two of this thesis aims to contribute to the mechanisms of understanding employee behaviors and testing for mediation effects this was only
possible by conducting a quantitative nature research. Testing for indirect effect of what shapes employees’ responses to differentiated TM was and is still limited. Two out of the four papers presented in Chapter Two tested for mediation effects of talent identification and outcomes, namely Gelens et al., (2014) and (2015) using organisational justice and social exchange theories respectively. Thus, because of the dominance of Western contexts and the variations in how talent is identified, along with the need to examine mechanisms of employee reactions to differentiated TM it was clear that a mixed methods research strategy (MMR) might be better utilised for this thesis to be able and contribute to the differentiated TM field.

Building on the above discussion, Bell and Bryman (2003; 2006) provide five reasons to explain why mixed methods can be adopted in a research design, one of which is development. That refers to the use of one method to provide information prior the design of the second method. This thesis is interested in the examination of differentiated TM and so it was first necessary to explore the TM practices of the GCC region to assess whether they fit with general aim of this thesis. Additionally, this helps to narrow the sample and approach employees who are part of banks that apply differentiated TM. Moreover, tensions that may emerge form study one can assist in refining the design and build the measurement model for study two.

The next section begins by presenting general characteristics of the GCC, then considers the limitations of previous work, highlighting how TM has been examined in a GCC or Arab Middle Eastern context.

4.1.2 Research Context

The Gulf Cooperation Council (GCC) was established in 1981 and comprises six major oil producing countries that are linked historically, culturally and
geographically (GCC, 2013): the Kingdom of Saudi Arabia, United Arab Emirates, the Sultanate of Oman, the Kingdom of Bahrain, Kuwait and Qatar. These six countries are all Arab countries and share Islam as their dominant religion. The political regime of the GCC countries is based on hierarchy, as they are monarchies, sultanates and emirates. Society in the GCC countries is tribal (Ali, 1995, 2008; World Bank, 2010). Before the discovery of oil in the region, the main industries were agriculture and pearl fishing. However this changed in the 1940s with the discovery of oil. The GCC region and Saudi Arabia in particular hold one of the largest surpluses of oil globally. With the oil boom, the GCC region began to change from a tribal agricultural society to an industrialised one. This, in turn, created the need to import labour from the Middle East, South East Asia and Western countries, such as the UK and the USA to help build infrastructure, something that has shaped the labour force in the GCC countries to the present day (Sidani & Al Ariss, 2014; Afouni & Mellahi 2013, Ali, 2011; Randeree, 2012; World Bank, 2009; Budhwar & Mellahi, 2007)

The combined population of the GCC countries is estimated to be more than 44 million; with locals (i.e. nationals) forming 53% of the total population. The majority of the population is based in Saudi Arabia (27.1 million), with Bahrain having the lowest population of just above one million (see Table, 4.1) (Najjar, 2013; Sidani & Al Ariss, 2014). It is worth mentioning that these numbers are just estimates because it is quite difficult to get accurate figures (Zahra, 2011).
There are two main reasons for the unique nature of the GCC regions labour force: first, there are large amounts of foreign labour, and, second, there are high levels of unemployment among locals. The GCC countries are described by the World Bank as resource-rich, labour-importing countries. From the 1970s onwards these countries maintained an open-door policy to attract an expatriate labour force; this eventually resulted in there being large numbers of expatriates in the labour market in the region to the present day (World Bank, 2009; Forstenlechner, 2010). The proportion of expatriates in the region’s labour forces ranges from 53% in Saudi Arabia, to 95% in the UAE (Najjar, 2013). This has resulted in high unemployment levels among locals, which, in turn, has required the intervention of the governments of the region.

In the 1980s and 1990s the GCC governments responded to the large number of expatriates in the labour force and the high local unemployment rates by initiating workforce localisation nationalisation policies (Mellahi, 2007; Sidani & Al Ariss, 2014). Nationalisation refers to the act of decreasing the numbers of expatriates in the workforce by increasing the number of nationals (Randeree, 2012). At the beginning, this was seen as an expedient solution (Harry, 2007); however recently, and in the late 1990s, governments have increased the pressure on organisations to localise and have taken a firmer position (Sidani & Al Ariss, 2014). The aim of localisation policies is...
ultimately to replace expatriates with local workers. Regardless of government efforts, locals still suffer from the effects of high unemployment rates, and the private sector still targets non-local workers. As a response, the governments have tightened the localisation policies further, taking into consideration the different conditions in different sectors and the obedience of the private sector in complying with the required quotas.

Localisation strategies in the region will remain in force for a while, as long as locals form a smaller proportion of the workforce than expatriates. Private companies are aware of the need to comply with the rules if they wish to survive and to ultimately compete in the market. Private institutions in the GCC countries realise that the way to move forward is to start with training and development from the bottom up. With strict government rules imposed on private organisations and their human capital, human resource management and the management of talent has become one of the most important and challenging areas for the private sector in the Gulf region.

TM in the region is still in its infancy, and is based on trial and error. Yet interest in how to best manage the human capital of organisations is growing (Ali, 2011). For instance societies such as the Arabian Society of Human Resource Management (ASHRM) have been established, and annual summits, such as the Talent Management Middle Eastern Summit, have taken place. All of these show the interest the region has in utilising its human capital (Ali, 2011).

The next section discusses TM literature in the context of the GCC nations and Arab countries in general, but first a brief explanation of the GCC banking sector is offered and an explanation of why it was targeted as a sample for this thesis.
4.1.2.1 The Banking Sector in the GCC Region

The banking sector plays a significant role in the GCC region and so it was deemed appropriate to be adopted in this study. This can be briefly explained by three reasons. First, governments in the GCC region view the banking sector as a means of bridging the gap between social classes (Ali, 2011). Second, as Afiouni et al. (2013) explain, banks in the region are under pressure to invest in their human resource systems to attract and retain their workforce. Additionally Afiouni and her colleagues found that TM is one of the predominant practices that preoccupies HR managers in the banking sector, according to their sample from the Arab Middle East (AME) region, shaping practices for internal recruitment, training and development, and retention of employees. Finally, results from a survey by one of the few available and popular recruitment websites, Bayt.com, indicated that banking and finance are ranked as a top industry, which seeks and successfully attracts talent and is a sector that is highly sought after by job seekers.

4.1.2.2 TM in the GCC region

No studies were available that confirmed the use of TM as a phrase in the GCC area when study one was designed. Since then a few studies have offered an overview of the use of TM in GCC countries. These studies are discussed below, and provide insights into how TM is perceived within the GCC states.

Ali (2011) dedicates a discussion of TM in the Middle East region, covering Arab and non-Arab countries such as Iran and Turkey in the Global Talent Management book (Scullion & Collings, 2011). Ali believes that effective management of human capital is one of the most pressing issues in the region and thus TM could play a role in the region’s economic growth. Throughout his work he aims to answer several questions regarding TM and the readiness of business and
government alike to nurture, develop and strategically manage talents to compete globally. He concludes that TM is in its infancy; nonetheless, he has an optimistic view of the future of TM in the region. Ali considers that TM is prevalent in the region and suggests historical, economic and cultural factors that may influence its practices. However, Ali does not examine these issues empirically or how individuals in the region perceive TM; nor does he define it or consider whether it is similar or different from the Western understanding of TM.

Biygautane and Al Yahya (2014) provide a conceptual piece on TM in the Middle-East North Africa (MENA) region. In their review chapter, they focus on three sources: their own experience as academics; data collected from government websites as well as from non-government agencies; and analysis of the limited literature on TM in the MENA region. They first provide an overview of GTM as a field and then outline four challenges facing TM in the MENA region: unemployment; the mismatch between educational outcomes and market requirements; the public sector being a dominant recruitment source; and finally the duality of workforce (nationals versus expatriates), mainly in the GCC states. After that they highlight the available opportunities for TM in the Arab world; economic growth and investment in talent creation; and nationalisation policies. They conclude by providing suggestions of how to move forward, first by increasing the importance of the private sector in employment, and second by reforming education systems and implementing TM programmes.

These conceptual reviews have been backed up in recent research by Sidani and Al Ariss (2014), although, it may be worth mentioning that their aim was closer to those in the GTM field, where goals focus on implementing institutional theory to understand GTM in the region. Sidani and Al Ariss address the lack of TM research in non-Western context and investigate TM throughout the GCC countries. They
conducted face-to-face interviews with 48 HR managers and representatives across different industries. Their overarching aim was to investigate TM practices in the GCC region and examine how organisations adopt them. They compared managers’ views of what TM is with those in the GTM literature with Western context. Four themes emerged from their data: first the dynamics of managing talents differed between local and expatriate talent; second, the TM process lags behind that found in a Western piece and is mostly present in MNCs; The third theme concludes that the traditional management styles serve as a barrier to TM enhancement; finally female talent is catching up, although at a slower pace.

Sidani and Al Ariss’ research was published in 2014, that is after Study one was conducted. Thus there was a possibility of comparing findings from Study one to those of Sidani and Al Ariss, which could increase the trustworthiness of this qualitative work. Nonetheless, this might only be applicable in some areas, because Sidani and Al Ariss focused on GTM in relation to institutional theory and its applicability to the region, so their findings were beyond the organisation or employee levels. For example, when they interviewed decision-makers about what shapes TM in the region, they involved government officials; however this level is outside the scope of this thesis. Nonetheless, where possible, a comparison of findings from this thesis and Sidani and Al Ariss’s research is made, in Chapter Five.

4.2 Scientific Approach to Research

This section starts by briefly summarising both qualitative and quantitative strategies, before moving on to a more detailed description of mixed methods research (MMR).
4.2.1 Different Types of Scientific Enquiry

Social sciences distinguish between two types of research strategies: quantitative and qualitative methods (Bryman, 2012; Creswell, 2014). *Quantitative research* follows a positivist/positivism view that believes reality to be objective and to exist independently from the researcher. Researchers following a quantitative strategy aim to test predetermined theories and generalise from the findings (Phillips & Burbules, 2000). On the other hand, qualitative research is led by an interpretivist constructivist view. In this case, the researchers aim to understand the world they live in through the complexity of the data collected, because each human has their own, different interpretation of the world. One final aspect, which distinguishes qualitative from quantitative research, is that the first is inductive where its driven by the data and less on predetermined theories and the second is deductive where initially propose hypothesis built form theories and then set out to test them.

This thesis uses a mixed methods research (MMR) approach (see Figure4.1), as an initial qualitative study is followed by a quantitative study. MMR became prominent in the late 1980s and early 1990s. Different names have been given to this method, for instance multi-strategy (Bryman, 2008), or integrated qualitative and quantitative methods (Bryman, 2006); nonetheless, *mixed methods* is the most popular term used (Bryman, 2012; Tashakkori & Teddlie, 2010). Mixed methods emerged from studies within diverse fields such as management and education (Creswell, 2014). Creswell and Clark (2011) identify five stages in the development of mixed methods. The *formative stage* in the 1950s was when the basis of mixed methods came into play. After that, in the 1970s and 1980s, questions arose as to whether or not to integrate qualitative and quantitative methods; these debates were mainly centered on epistemological and ontological differences and claimed that qualitative
and quantitative methods should not be integrated; therefore this phase was named the **paradigm debate period**.

*Figure 4.1: Exploratory Sequential Mixed Methods From Creswell, J (2014)*

The third stage in the development of mixed methods research is the **procedural development phase**, where the stress lay on the design of mixed method studies. Expansion of mixed methods was evident, and supporters published the first handbook of mixed methods (Tashokkori & Teddlie, 2003; 2010). The **advocacy and advancement period** is the fourth step of MMR development, when, for example, the *Journal of Mixed Methods Research* became established. Finally came the period which Creswell and Clark (2011) label as the **reflective period**, where writers assessed mixed methods, suggested future directions and provided critiques. These five stages highlight the main phases of mixed methods research and how it became prominent.

Arguments against the use of mixed methods tend to be focused on the incompatibility of qualitative and quantitative methods. The main debate argues that because of the epistemological commitments and / or paradigm differences between the two types of research, it would be infeasible or undesirable to combine qualitative and quantitative methods. One argument against combining the two methods claims that qualitative and quantitative strategies are different in assumptions, values, and methods; these differences make it difficult for MMR to form a single research strategy (Bryman, 2012). However it is often acknowledged that the technical elements of qualitative and quantitative methods can be used to serve one another where there is compatibility between the two research strategies (Bryman, 2012). Thus, integrating them can offer a better, or the only, approach to tackling selected research problems. Indeed, MMR is now very common. In 2006 Bryman examined
232 social sciences articles that employed mixed methods methodology, while Niglas (2004) explored 145 articles in the field of education that utilised mixed methods in their research. This illustrates an increased interest of different researchers in different fields in following a mixed methods approach that can offer rigour and validity if employed in the right conditions.

4.2.2 Issues within Qualitative Research

This section considers a selection of important methodological issues relating to qualitative research that informed the design of study one.

Qualitative research is an inductive approach that draws on texts for data collection and analysis (Bryman, 2012; Creswell & Clark, 2011). Data collection and analysis tools include observation, interviews, discourse analysis and content analysis. Like any other strategy, qualitative research suffers from limitations such as: first, the researcher is the main tool he/she will decide what is significant enough to report, which raises the question of how these conclusions were reached; Second, qualitative research is often criticised as being too subjective, difficult to generalise, hard to replicate and lacking in transparency (Bryman, 2012). Nonetheless, when appropriately applied, qualitative research might offer rich information and understanding of the study context, and an overall description of the topic under investigation (Bryman, 2012). Appropriateness of qualitative research depends on the topic under investigation. If, for example, the topic examined is new, unexplored and requires rich information to move forward, then qualitative research strategy might be the best fit.

This thesis adopts a qualitative strategy for study one, to provide rich information base of what talent and talent management are in the GCC region and to
identify a sample for study two. This is appropriate for answering the main research questions for study one.

4.2.2.1 Sampling Approach

Before collecting data the researcher first needs to identify the population and an appropriate sample. Study one follows a theoretical sampling approach, first because it supports the reliability of the research; and second, because theoretical sampling provides flexibility for the researcher to collect additional data as needed to answer the research questions. The researcher aims to obtain a representative sample; however representativeness refers to context and not to individuals (Corbin & Strauss, 1990). Goulding (2003) describes theoretical sampling as a continuous process that allows the researcher to collect additional data to reach saturation, when new data no longer provide new information for the researcher. It is difficult to decide how many participants are appropriate for a qualitative study; scholars have tried to develop specific rules, and one suggestion is to have at least 12 participants. However, in theoretical sampling, researchers aim to collect data to a point where no new data emerge (Goulding, 2003). The researcher considered the amount and quality of data collected and, based on this, a total of 25 participants formed the dataset for study one. Further details are presented in Chapter Five.

The Study one sample is formed of two groups, practitioners and experts. The practitioner group consists of CEOs and heads of human resource management departments, learning and development departments, and TM departments where applicable. These participants were selected to form a representative sample of the banking sector population. The experts group comprised consultants who have worked closely with one or more banks in the region and academics who have researched HR and TM related work in one or more GCC countries. The aim was to interview
individuals who have both knowledge and experience in the area that they are being questioned about so as to add credibility to the research (Rubin & Rubin, 2005). For this reason respondents were asked about their nationality, years of experience and job title; more information about participants is presented Chapter Five.

4.2.2.2 Data Collection Method

Observations, case studies and interviews are three commonly used data collection methods in qualitative research (Creswell, 2014). Both observation and case studies require the researcher’s presence in the same environment and setting as the participants. This is, however, infeasible for this thesis, because the study examines more than one bank in several countries and the researcher is therefore physically unable to use either observation or case studies to collect data.

Interviews are a popular tool for collecting qualitative data and provide the researcher with rich information on the phenomena under examination. However, face-to-face interviews do not always facilitate the most productive means of data collection in certain contexts. For this thesis, before the data collection, two face-to-face interviews were conducted to uncover whether the participants would be willing to collaborate. Being female and from the region under study, the researcher was wary of participants being dishonest, first because most participants in the targeted sample are males, and second because participants were spread across six different countries. The pilot work for study one is explained in details at Chapter Five. An alternative to face-to-face interviews is an open-ended survey. Using open-ended online questionnaires collected from HR managers, heads of TM where applicable, and professionals in the field, could perhaps facilitate an understanding of how talent and talent management are defined; the practices underlying TM in the region, and future issues for differentiated TM in the GCC countries.
4.2.2.3 Quality Trustworthiness

Lincoln and Guba (1985) suggest that concepts of trustworthiness, which encompasses credibility, dependability, transferability and conformability, can be used as a method of evaluating qualitative research. For the current research a number of measures were used in order to ensure a higher level of trustworthiness. First, qualitative researchers suggest respondent validation or triangulation as a means to increase credibility; therefore, objective documents, such as training courses and line manager’s guide to how they can manage their talent were collected from participants where possible to increase credibility.

Second, to increase transferability, a detailed description of the research context, how the researcher gained access, and what the researcher did to reach the final conclusions, will potentially offer other scholars an indication of whether these conclusions could apply in their context or provide a guide of how to replicate the study if they wish to do so. For this reason a section detailing study one procedures is presented in Chapter Five.

Third, all documents collected and used to reach the current conclusions are stored securely should any future auditing be required, in order to increase the level of dependability. All interviews were uploaded to Nvivo for analysis where they are still stored and kept in a separate laptop locked up in the thesis office at the university department.

Fourth, complete objectivity in any research is difficult to achieve and is even impossible in a qualitative research (Bryman, 2012). Yet, to ensure that the researcher’s goal of increasing the reliability level of the data is reached, documents should be requested to support the researcher’s conclusions. Though this is not applicable in all cases under study, several banks did provide documents, such as training guides, talent evaluation tools and templates, that were used in the talent
career path; this helped to add a level of conformability to study one. Overall, requesting supporting documents, following up with phone interviews, utilising computer assisted qualitative data analysis software (CAQDAS), uploading, analysing and storing data in Nvivo helped to add rigor to the current qualitative research (Sinkovics & Ghauri, 2008).

4.2.2.4 Approaches to Qualitative Data Analysis

Different approaches are available to analyse qualitative data, for example discourse analysis, conversation analysis and content analysis. This thesis uses content analysis for data reduction, with the aim of developing areas of study of this research. Qualitative content analysis is a common approach used to analyse any textual material obtained from different sources, interviews, media and secondary data. It aims to reduce data and depends largely on the use of categories (Weber, 1990; Flick, 2009). The use of categories allows the researcher to bring the theoretical model to the data rather than it deriving from the data. Content analysis has been criticised for aiming to reduce data to the extent that important findings may be missed, where qualitative research is popular for the richness of its data. However, data reduction assist in obtaining focused and narrow data that would help in the design of study two. The aim of study one is to understand the current state of talent and TM in the banking sector in the GCC countries, which will provide the information needed for a better design and a refined model of study two.

Qualitative content analysis requires several steps and rules to be followed, a number of which are discussed in this study and were proposed by Mayring (1983). The first steps are more or less data management, starting by looking at the materials, understanding the context in which answers were provided, and stating the way data were collected, for instance whether they were recorded or written. After this, Mayring stresses the importance of clearly identifying the research questions, previous
theoretical work on the same topic, and what the researcher hopes to gain from the
data. After summarising and after data reduction, the researcher then reevaluates the
findings based firstly, on previous material, and secondly, on the research questions.

Three analytical techniques are provided for qualitative content analysis; summarising, explicative and structuring content analysis. In summarising content analysis, data are paraphrased and reduced, and similarities in data information are skipped when appropriate. This technique can be useful when the data under analysis are extensive and difficult to manage, which is not the case of this thesis. The second technique is explicative, where definitions are sought from dictionaries and the grammar used by participants, which are then formulated as the main concept and applied to the overall text under analysis. This can be in a narrow context, where the data collected are used and are taken to explain the main concept and then further texts are collected from the data to be explained, while in the wider context, information external to the data collected can be used to offer further explanation, for example theories or information about the author can also be examined. This technique will be helpful for this thesis if talent and TM can be defined clearly.

Finally, the third technique in qualitative content analysis is structuring content analysis. This can be undertaken when data can be arranged either on a formal, typifying, scaling level or as regards content. A formal analysis is conducted using the data themselves; typically by identifying an important concept in the data and explaining it precisely. Scaling depends on a rating being assigned by stating the main concept and identifying different categories by which data can then be ranked, finally the data are examined as regards content use to extract parts and these are grouped together based on identified domains that emerge. For this thesis, structure content analysis follows the content path, first because this will help to identify the main domains of TM in the GCC countries banking sector, according to the participants’
views rather than any external views or other materials. Second, this approach can offer rich data in terms of the main domains that have been identified through it and by participants themselves. Thus this study uses qualitative content analysis, specifically with structuration, and in the context of the content approach.

4.2.2.5 The Use of Computer Assisted Qualitative Data Software (CAQDAS)

The use of computer assisted qualitative data analysis software (CAQDAS) in qualitative research is suggested to help increase rigor and trustworthiness of qualitative data analysis (Sinkovics and Ghauri, 2008). Miles (1979) has described qualitative data as “an attractive nuisance” (Miles, 1979.p.590) because it provides rich information; although it can be difficult to find an analytical path through this richness. However, it has been suggested that text coding should be at the heart of the qualitative data analysis (Ryan & Bernard, 2000). In Study one, QSR NVivo was used to analyse the data, which helped when it was necessary to go back to the context. When analysing the data with QSR NVivo, it is possible to remove chunks of the text; when this text is clicked on again, QSR NVivo will open a new tab with the original text. Therefore, when using coding to analyse study one data, the researcher took this into consideration and referred to the original context of the text when needed.

4.2.2.6 Ethical issues

The researcher understands the culture and sensitivity of the topic (Mellahi, 2007; Gelens et al, 2014). In the GCC region generally a common reaction to work-related information is that it should be treated in a confidential manner. Secondly, the topic of TM is perceived as a sensitive topic worldwide. As such, the following four steps were followed to make sure that participants were aware of the study objectives and their roles in this research:
- An application to gain ethical approval was submitted and approved by the university. Reference details REP (EM)/10/11--80.

- An information sheet cover letter was submitted to the potential participants; all their concerns were addressed prior to them sending their replies. The cover letter explained the reasons for the study and gave further information for respondents (see appendices 10.1). The cover letter ensured that each participant understood the information to be collected in the research and why the research was being undertaken.

- All participants were reassured that answers would be presented anonymously also they can withdraw from the study at anytime.

4.2.2.7 Qualitative methodological conclusions

This part of the methodological chapter has presented details about the research strategy approach of this thesis, namely mixed methods. First it provided the general aim of this thesis, and why MMR was selected as a research method. Next the general research context of the GCC region and specifically TM in the GCC states was presented. This was then followed by a brief overview of different types of scientific enquiry including MMR. The design of study one was introduced, including the sampling approach data collection method, plus information about what and how the concept of trustworthiness could be achieved. The section concludes by providing possible approaches to qualitative data analysis, mainly the use of computer assisted qualitative data software for this thesis and ethical consideration for study one. Analysis of the data was carried out using Nvivo to increase the level of trustworthiness of the findings. The next part reviews issues with a quantitative approach.
4.2.3 Issues within Quantitative Research

This section considers a selection of important methodological issues relating to quantitative research that informed the design of study two.

4.2.3.1 Sampling Approach

Quantitative researchers select samples to study from portions of the population in random or non-random ways in order to collect, and analyse data and to infer conclusions, which potentially could be applied to the wider population of interest (Bryman, 2012). The target population for this thesis is employees who work in banks that follow a differentiated TM approach in the GCC countries. A non-probability sampling method was used. The first step of sampling took part before study one, namely identifying the population of interest. List of all banks in the region was compiled, more details of which are available in study one procedure [see Chapter Five]. The second step was to select banks with a differentiated TM approach, as identified through study one, and gatekeepers of those banks were contacted. For study two the aim was to ensure this study covered different groups of employees who were referred to as talent and non-talent across those different banks.

4.2.3.2 Research Design

A number of research methods are available when following a quantitative approach. Suitable methods are selected based on the research questions and the researcher’s resources and time. One approach is a longitudinal study, which would help provide an understanding of the dynamic nature of the relationships examined and the causal effect of being identified as talent or non-talent on employees’ outcomes. However, time, resources and access were too limited for a longitudinal approach to be used for this thesis. The second possible strategy in quantitative research is to conduct a cross-sectional study, where data are collected at a single
point of time. This provides data that can be empirically investigated, generalised from and which offer answers to the research questions (Bryman, 2012). This study follows a cross-sectional quantitative research strategy through the use of an on-line survey. This method is practical and enables the researcher to manage time and access within the conditions of a PhD.

4.2.3.3 Replication

Replication is one of the most important aspects of scientific research. Researchers must provide enough information about the process, context and any related areas regarding the practicality of conducting research in order to enable other scholars interested in the topic to reproduce the study if they wish. This thesis provides full details about the study context, access tools and analysis (for study one in Chapter Five, and for study two Chapter Six) to offer the opportunity for other researchers to replicate this study.

4.2.3.4 Data Collection Method

Surveys and self-administered questionnaires are popular data collection methods used by researchers in the social sciences. Surveys are most of the time inexpensive and quick to administer, especially if the sample is spread throughout more than one organisation and/or more than one country. Though surveys can be quickly distributed to a large number of participants at once, the researcher must often wait a while for the completed questionnaires to be returned. Surveys, unlike interviews for example, can be sent to the participants and they can answer the questions without any influence or bias from the researcher (Bryman, 2012).

Though questionnaires are popular and have a number of benefits, they also have their limitations. For instance, there is often a low response; the data collected
may be compromised if a subgroup decides to refuse to respond, as this creates response bias. In this research, the survey has been designed to be short, simple and anonymous, to enhance response rates. The second limitation of surveys is the potential that responses may either deliberately or unintentionally provide false answers that may lead to a serious issue in quantitative research such as common method variance (CMV) (Podsakoff et al., 2003).

It is relatively difficult to distinguish deliberately false responses from other types of responses. For this thesis, a number of measures have been taken. First this is a mixed methods research, so the different approach of each study should offset the other’s limitations. Second, participation in the survey for study two was optional; participants had the right to participate or not by choosing to return or not return the questionnaire. Third, the researcher provided a cover letter, which stressed the optional, anonymous nature of participation, along with email and contact details if they had any questions or comments. Finally, statistical tests, such as confirmatory factor analysis, were conducted and are presented in Chapter Six to measure for common method variance.

4.2.3.5 Concept Measurement, Validity and Reliability

Reliability and validity are two essential concepts, which are used to determine the quality of quantitative research. Internal reliability refers to the consistency of the measures; it indicates that the total score of the multi-item measures have been aggregated to make an overall score. A popular test to measure internal reliability is Cronbach’s Alpha, mainly because it has been integrated into computer software (Bryman, 2102).

The second concept is validity. This tests for the different items in the concept and whether the items measure what they are intended to measure. There are different
types of validity: face validity, concurrent validity, predictive validity and construct validity. First, face validity relates to the appearance of the measure, and whether items look as though they are measuring what the concept intends to measure from the participant’s point of view. Experts in the field of study are the ones who determine face validity. Second, concurrent validity, (also referred to as convergent validity), estimates the level to which one measure correlates with other measures with similar or the same nature. Third, predictive validity, where a new measure is developed and the researcher utilises a future criterion of the measure. Finally, construct validity tries to ensure that the items in the measure are actually testing the construct that they are supposed to measure, to achieve this validity tests such as confirmatory factor analysis are used; this will be demonstrated later in Chapter Six.

One aim of study two was to use standardised measures that have been tested in previous research where suitable, with a number of different samples to increase the validity and reliability levels of the data collected. However, as previously noted in the field of differentiated TM there are a limited number of empirical studies that have investigated responses from employees themselves, additionally, these few studies provide different sources of talent identification. Due to this lack of consensus, measures of talent identification and perceived talent practices were developed based on earlier TM literature and using findings from study one.

4.2.3.6 Approach to Quantitative Data Analysis

A number of advanced statistical techniques were applied to answer the research questions, which are presented in Chapter Five (section 5.1). The initial data analysis was carried out using IBM SPSS statistics version 22 (1989-2013). The other statistical tests were conducted using structural equation modelling (SEM) in Mplus
version 7.2 (Muthén & Muthén, 2013) as well as PROCESS (Hayes, 2013). The following section considers issues with data analysis and the use of SEM.

4.2.3.6.1 Examining Psychometric Measurement Properties

To ensure construct validity in multi-item scales, factor analysis tests need to be conducted. In the past, researchers applied exploratory factor analysis (EFA) to test for latent variables. However, EFA has been criticised as unfit to determine the underlying constructs because EFAs are data-driven and exploratory in nature, rather than being theory-driven (Mulaik, 1987). Nonetheless, SEM offers another test that can be conducted to ensure the fit of the structure; confirmatory factor analysis (CFA). Following CFA the researcher can determine in advance the latent structure, which should shed light on whether the data collected fit the model hypothesised for the study and allow fit indications to be established.

Other measurement models can be used to determine the fit of the model before testing for relationships. Earlier discussion of CFA helped to test the fit of each individual measure; other tests with CFA can offer grouped measures, combining all individual measures together. Doing so, and determining the extent of fit across variables before testing the structural relationship is highly recommended (Anderson & Gerbing, 1988). Adding to the earlier discussion of individual measures tests and across measures tests, Cronbach’s Alpha coefficient can determine the internal reliability of the individual multi-item measures. Measures must be $\alpha = 0.70$ and above, otherwise the measure is judged to be unreliable in measuring the intended construct.

For this thesis, the above three tests, first individual CFAs for each multi-item, second CFA across measures, and, finally, Cronbach’s Alpha coefficient, were conducted before testing for any structural relationships tables are presented in Chapter Six.
4.2.3.6.2 Testing for Simple Bivariate Relationships and Group Differences

Before moving forward it is important to establish that relationships occur because an association between two variables exists, and not by chance or the influence of another variable. Thus, bivariate tests are conducted and zero-order associations are examined and presented in tables presented in Chapter Six. These tests provide a \( p \)-value that indicates whether the relationship occurred because of a statistically significant relationship or by chance; a threshold of 0.05 indicates that the relationship has a likelihood of 5% to have emerged by chance.

4.2.3.6.3 Assessing Structural Relationships between Multiple Predictors and Outcomes

SEM offers several advantages it enables testing for measurement models and the degree to which the model is fit to be used, before testing for structural relationships. Second, SEM permits the examination of several dependent variables at once in one model. By doing so, SEM takes into account the relationship between the dependent variables and allows parsimony.

4.2.3.6.3.1 Statistical Tests of Mediation and Moderation

The theoretical model in this thesis includes mediated and moderated relationships. This section explains these analyses in detail.

Simple and Multiple Mediation

A fairly large body of literature applies mediators to hypothesised models. Mediators can be helpful in providing a better understanding of the effect of the independent variable on the dependent variable, in other words, what may cause or account for the outcome variable. A mediator is a variable that is introduced to predict the relationship between the independent variable and the dependent variable; this
variable can be a single mediator in what is referred to in the literature as a *simple mediation model*, or can be more than one predictor, a *multiple mediator model* (Preacher & Hayes, 2008).

Having one mediator in the model is different from having multiple mediators; in short, if the same mediator variable is tested in a simple mediation model it can produce different results than when tested in a multiple mediation model. In multiple mediation models, the total sum of the multiple mediators is accounted for in the outcome, while in a simple mediation model one predictor accounts for the outcome variables. Having more than one mediator in a single model has its own advantages, as stated by Preacher and Hayes (2008), two of which are to reduce bias caused by the omitted variables and to compare different theories in a single model.

Different approaches can be used to test for multiple mediation; one of the most common strategies is the *causal steps* approach of Baron and Kenny (1986). Though this method is commonly used, nonetheless, it has its limitations. Preacher and Hayes (2008) state that the causal steps approach has the same weakness when used in single or in the multiple mediator models. First, it requires different steps to be conducted to test for mediated relationships, where recent debate questions the need for X to be significantly associated to Y for mediation to occur. Second, it offers no estimate of standard errors (*SE*). Nonetheless, another strategy can be used to overcome this limitation.

The second approach for simple and multiple mediation testing is *bootstrapping* (Preacher, Rucker and Hayes, 2007). This method takes small samples from the original sample size (*n*) several times (referred to as *k* times and recommended to be a minimum of 1000) where this will provide an estimate of the direct and indirect effects for simple and multiple mediators. Bootstrapping takes sub-samples from the actual sample not once, twice or three times, but thousands of times
where it estimates the values of the paths from the independent variable to the mediators and the paths from the mediators to the dependent variable multiplied $k$ times. After this, the bootstrap confidence interval (CI) is produced. A mediator is significant when the CIs do not contain a zero in them. In this study, both simple and multiple mediation are tested, using a causal steps approach (Baron & Kenny, 1986) as a first analysis and then the bootstrapping confidence interval for total and specific indirect effects.

**Simple Moderation**

Moderators are commonly used across management research; they assist in testing either for the strength or weakness of the relationship that occurs between the independent variable and dependent variable. The relationship between $X$ and $Y$ is affected by $W$. Statistically, $Y$ is predicted as a result of $X$ and $W$ plus the interaction of $(XW)$. If the interaction $(XW)$ shows statistical significance, then the effect of $W$ is tested at three levels one standard deviation below the mean, and one standard deviation higher than the mean plus the zero. This is a common model used in estimating moderation in behavioral sciences (Hayes, 2012).

In this thesis, moderation is tested via PROCESS developed by Hayes (2012). This is a simple tool that can be used in SPSS. It uses a click-and-add scheme and tests for conditional effects in a moderation model. Additionally PROCESS estimates the coefficient variables. Results are then presented visually for clarity purposes.

**4.2.3.7 Types of Data in this Research and Methods of Estimations**

Data collected for this thesis is ordinal, categorical and nominal. It is essential to select the appropriate tool to analyse the data, as using the wrong tool can negatively influence the findings of the study. Using Mplus for analysis, its set to perceive the data as continuous and normally distributed; to overcome this, Jöreskog
(2005) advises using a rML (robust Maximum Likelihood) estimation. A different method is robust Weighted Least Squares (rWLS), however this approach requires a large sample size. For this reason, this data analysis will implement (rML) techniques; in some cases where data are dichotomous the WLSMV estimator is used.

4.2.3.8 Fit Indices

In structural equation modelling, data are evaluated with regard to the extent they fit the proposed theoretical model. There is no agreed indicator that could be applicable to all studies; to decide whether the data fit the model, different models and circumstances need to be considered (Kelloway, 1998). For this reason it is advisable to use more than one fit indicator to evaluate the data fit. For this thesis, five fit indicators are used and reported later in Chapter Six, chi-square ($\chi^2$), the root mean square of error of approximation (RMSEA), the comparative fit indicator (CFI), the Tucker Lewis index (TLI) and the root mean square residual (sRMR).

Chi-square ($\chi^2$) is thought to be an indication of a good fit when ratios of $\chi^2$ to degrees of freedom are anywhere up to 5; nonetheless, this is not a straightforward judgment for fit, because $\chi^2$ is influenced by the sample size (Kelloway, 1998). As such other indicators are introduced. The root mean square of error of approximation (RMSEA) must be of a value that is equivalent or below .06 to indicate a good fit, while .10 and above is a poor fit (Hu & Bentler, 1999; Browne & Cudeck, 1993). Yet again, this indicator is influenced by the complexity of the model and the sample size, the larger and more complex the data, the better indication it offers. It is advisable for the comparative fit indicator (CFI) and TLI to both be larger than .90, which indicates a good data model fit; this indication has been found to be good for small size samples (Hu & Bentler, 1999; Bentler, 1989). In the root mean square residual (sRMR), a good-fitting model has a value of .08 or lower (Hu & Bentler, 1999). All the five
indicators above are calculated and reported in Chapter Six to compare for model and data fit.

4.2.3.9 Pilot Work

The pilot research for Study two is important. First, it ensures that questions included in the survey are understandable from the participants’ point of view, which helps, in some way, to test for face validity. Second, it helps to prevent the researcher from making significant mistakes and allows for changes or explanations of items that are difficult to comprehend or are unclear. Pilot work takes place with individuals who are from the same target population, yet it is on a smaller scale.

For the study two pilot work, a survey was sent to employees at one of the participating banks. Employees in the pilot work were individuals in both the talent and non-talent pools to ensure that both groups understood the items included in the questions. Ten individuals took part in the pilot survey. This tested their understanding of the survey and questioned whether they had any feedback on the survey layout. Because of the small number, the researcher was unable to statistically test the measures and outcomes of the pilot work. No major changes took place after the pilot study, except two items in the survey were further explained, as the original measure used words that were a little difficult to understand.

4.2.3.10 Quantitative Methodological Conclusions

This part presented the process by which study two was undertaken. It has considered research design, including the sampling approach, replication and collection of data. Following this approaches to quantitative analysis were outlined, and including the statistical significance measures used for this thesis were explained. The results and sample characteristics are presented in Chapter Six.
4.3 Chapter Conclusions

This methodological chapter has presented other possible methodological approaches that could have been used, and has explained why the current design of the thesis was followed. Both strengths and weaknesses of this design have been highlighted and explored. A MMR approach was stated as the best way of addressing the research questions. Both TM literature and research on the GCC countries have been demonstrated to lack clarity and thus mixed methods approach was essential to hypothesise and test the model. Procedures were taken to increase the level of trustworthiness and reliability. Using computer assisted qualitative data software and structural equation modelling adds rigor to the data tested and the findings reached.

The following chapter presents the procedures and results of the qualitative research (study one), while Chapters Six and Seven examine the design and results of the quantitative survey (study two).
5 Chapter Five: Study One Procedures And Findings

5.1 Introduction to Study One

Is talent management a concept that has relevance for practitioners and experts in the Arab region? This challenging question can be posed in relation to TM in the GCC context. The general aim of study one is to confirm the existence of TM in the GCC region’s banking sector; to understand whether it is similar to or different from Western conceptualisations and asks whether there are any specific contextual issues that should shape further research being conducted in the GCC countries. This chapter outlines procedures of study one and its findings. It starts first by presenting the specific aims of this study, the sample and briefly explains the procedures used for study one.

5.1.1 Specific Aims of Study One

Ali (2011) has explored the prevalence of TM in the Middle East, he based his conclusions on national level overview and secondary data; second, Ali’s descriptive study viewed TM in a national level and less on an organisational level, as explained in the research context in Chapter Four. Thus, as a first step, it was essential to get a better understanding from managers of how they see talent and TM. To reach the overall aims of study one three sub-research questions were developed.

The first question of this qualitative research is how is talent defined in the GCC banking sector? As explained in Chapter Two, talent identification is inconsistent; for example, Meyers et al. (2013) review talent based on a continuum, ranging from talent as innate “being born with it” and talent as acquired “deliberate practice”; whilst Gallardo-Gallardo et al. (2013) consider talent either as subject
(some people) or object (characteristics of people). Dries (2013a) examines the use of the word *talent* in a range of disciplines and adds the notion of talent as individuals’ perception of themselves, future selves, feared selves and ideal selves. Thus it is evident that conceptualisation of talent is inconsistent and far more complex than is often presented in the TM literature.

To be able to effectively manage talent, it is essential to know how companies identify them. Do companies, for example, perceive their talent as innate, so that the focus is then on recruitment and selection practices? Or, if an organisation views talent as acquired, then their focus is likely to be on training and development practices (Gallardo-Gallardo et al., 2013; Dries, 2013a). This is applicable when companies view talent as object or as subject. Managing the characteristics of people is based on the belief that everyone has talent within themselves and so the need is to concentrate on identifying the strengths and weaknesses of individuals, whilst managing talent as being certain people centres on the development and progression of a small group of employees. Thus the question of what talent means is important because it helps create an understanding of the range of complexity involved in identifying talent in the GCC region and whether there are any other elements to the definitions of talent the field has yet to explore.

The second sub question is to investigate what TM means in the banking sector in the GCC states. This is important because, as reviewed in Chapter Two, the TM literature has been criticised as being inconsistent in how it defines TM and is largely driven by a Western understanding of the concept. Additionally, empirical studies that examine differentiated TM have suggested that different contexts and culture may affect perceptions of differentiation (Gelens et al., 2014). The influence of culture on employees’ perceptions about differentiated TM has not yet been adequately explored, thus researchers should be encouraged to explore TM in multiple...
contexts (e.g. Collings et al., 2011). For this reason, this study aims to explore what talent and TM means in the banking sector in the Gulf countries, before it makes any untestable propositions.

The final sub-research question in study one asks what practices banks use in differentiated TM, because it is essential to understand how differentiation occurs in the region. Three practices are commonly associated with TM. These are; talent identification; training and development; and talent retention. Thus one of the aims of this research is to gain an understanding of how similar or different these practices in the GCC area are and how they are implemented.

Understanding and collating what managers on the ground think is an essential step in the light of Ali’s conjectures, since his assumptions have yet to be explored and confirmed. Additionally, Study one should help to identify future participants in study two and make the researcher aware of contextual issues may arise, whether in relation to management style or justice issues. To conclude and summarise, these are the three research questions that study one addresses:

RQ 1. How is talent defined in the banking sector in the GCC countries?
RQ 2. How is TM defined in the banking sector in the GCC countries?
RQ 3. Which practices are used in the banking sector as part of TM?

5.1.2 Sample and Procedures For Study One

This section provides details about access to and the sample of participants who took part in study one. In total twenty-five individuals took part in Study one. The pilot work is briefly described, followed by development of the open-ended questionnaire. It concludes with an account of the procedures used to collect the data.
5.1.2.1 Sample and Access

The intention was to obtain insights from all six countries of the GCC; however no access could be obtained for either Bahrain or Qatar, due to political unrest and to participants being unmotivated to take part in the project respectively. Nonetheless, covering four out of the six GCC countries including the two largest states provides a high level of representativeness for the GCC region. As, several studies that have examined one or more of the GCC countries consider that their findings can be generalised to the wider GCC countries (e.g. Al Ariss, 2014). Nevertheless, the absence Bahrain and Qatar in the study does bring a limitation to study one.

A list of 158 banks and financial institutes was compiled, after the elimination of a number of institutions for the reasons explained below:

1- Investment banks: were omitted because they are relatively small compared to commercial and retail banks.

2- State-owned banks: were not included since the purpose of these banks is to implement and manage government policies, for example the Saudi Arabian Monetary Agency (SAMA).

3- Foreign-owned banks: were not used as they differ across the GCC countries. Al Hassan et al. (2010) explain that all GCC countries, except Bahrain, have limits on foreign owned banks.

In the end, the target population was made up of commercial and retail banks where the levels of recruitment of local employees are high and national talent is employed (Bayt.com). The original 89 banks are distributed as follow: Saudi Arabia (19 banks), United Arab Emirates (23 banks), Qatar (15 banks), Oman (11 banks), Kuwait (7 banks) and Bahrain (14 banks).
In order to get an additional external perspective of TM in the GCC banking sector, a group of experts, professionals and academics were contacted as an extra source of information. The group was chosen based on their publications on TM. For instance, one individual was contacted after reviewing a related report about TM challenges in the GCC area; other academics had published articles that investigate HR or related management styles in the GCC countries. This offered both the internal perspectives of managers and the external views of the professionals.

5.1.2.2 Access

The target sample includes HR managers, TM managers where applicable, and experts in the field. Contact details for participants were gathered from a variety of sources as follows:

- **LinkedIn**: This professional social network provides a brief on individuals’ curriculum vitae and information about where they work or have worked and what positions they currently hold. This helped the researcher gain access to a number of banks externally.

- **Previous job**: The researcher previously worked as a talent acquisition consultant at an international recruitment agency in London; this helped in forming connections and subsequently gaining access to most, if not all, banks in the Kingdom of Saudi Arabia.

- **Arab-British Chamber of Commerce (ABCC)**: The ABCC, based in London, provides leaflets and booklets containing information about individuals in different industries who operate in the Arab world, including the GCC countries. The aim of this organisation is to create business opportunities and links between the UK and Arab countries. To gain further trust and
contacts, the researcher met with the management and obtained a short-term internship at the ABCC.

- **Gulf Research Centre Cambridge (GRCC):** The GRCC is based in Cambridge and holds an annual meeting, attended by academics from all over the world who are interested in studying the GCC countries, and where papers are presented. In 2011, the researcher attended this annual meeting and managed to meet different academics in the human resources field and obtain their contact details so that they could participate in the research.

- **Arab United Bank (AUB):** The AUB is based in Beirut, Lebanon, and produces different books that contain a full profile of all the banks in the GCC, along with details about the main managers of each department. A copy of this book was obtained from the AUB (at a cost of US$ 200).

- **Point of Contact:** Having relatives and friends working in different banks across the GCC countries enabled the researcher to obtain contact details for several individuals. Zahra (2011) stresses the importance of these personal points of contact when conducting research in any of the Arab Middle Eastern countries.

The final sample is described in Table 5.1. Information that was provided by participants is included in the table.

*Table 5.1: Study1 Sample Characteristics:*

<table>
<thead>
<tr>
<th>Bank</th>
<th>Participant</th>
<th>Job Title</th>
<th>Nationality</th>
<th>Experience (total years)</th>
<th>Country</th>
<th>Organisation Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank (1)</td>
<td>A</td>
<td>Executive Manager-HR Group</td>
<td>N</td>
<td>10</td>
<td>Kuwait</td>
<td>Islamic Bank</td>
</tr>
<tr>
<td>Bank (2)</td>
<td>B</td>
<td>Senior Manager - Talent Management / Compensation Department</td>
<td>E</td>
<td>11</td>
<td>Kuwait</td>
<td>Commercial-Investments Bank</td>
</tr>
<tr>
<td>Bank (3)</td>
<td>C</td>
<td>Senior Manager of Talent Management</td>
<td>E</td>
<td>10</td>
<td>Kuwait</td>
<td>Investments Bank</td>
</tr>
<tr>
<td>Bank (4)</td>
<td>D</td>
<td>Manager Trade Finance</td>
<td>E</td>
<td>20</td>
<td>UAE</td>
<td>Commercial Bank</td>
</tr>
<tr>
<td>Bank (5)</td>
<td>E</td>
<td>Talent Manager</td>
<td>E</td>
<td>19</td>
<td>UAE</td>
<td>Commercial-Investment Bank</td>
</tr>
<tr>
<td>Bank (6)</td>
<td>F</td>
<td>Manager – Talent Management</td>
<td>E</td>
<td>10+</td>
<td>Oman</td>
<td>Commercial Bank</td>
</tr>
<tr>
<td>Bank (7)</td>
<td>G</td>
<td>HR Manager</td>
<td>N</td>
<td>DNP</td>
<td>Saudi Arabia</td>
<td>Commercial Bank</td>
</tr>
<tr>
<td>Bank (8)</td>
<td>H</td>
<td>Corporate HR &amp; Training Head</td>
<td>N</td>
<td>8</td>
<td>Saudi Arabia</td>
<td>Commercial Bank</td>
</tr>
<tr>
<td>I</td>
<td>DNP</td>
<td>E</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank (9)</td>
<td>J</td>
<td>Head of Learning, Talent, Resourcing and Organisational Development</td>
<td>E</td>
<td>10</td>
<td>Saudi Arabia</td>
<td>Commercial Bank</td>
</tr>
<tr>
<td>Bank (10)</td>
<td>K</td>
<td>Talent Manager</td>
<td>E</td>
<td>30+</td>
<td>Saudi Arabia</td>
<td>Islamic Bank</td>
</tr>
<tr>
<td>Bank (11)</td>
<td>L</td>
<td>General Manager, Human Resources</td>
<td>N</td>
<td>10+</td>
<td>Saudi Arabia</td>
<td>Islamic Bank</td>
</tr>
<tr>
<td>Bank (12)</td>
<td>M</td>
<td>GM for Retail Banking Group</td>
<td>N</td>
<td>30</td>
<td>Saudi Arabia</td>
<td>Islamic Bank</td>
</tr>
<tr>
<td>Bank (13)</td>
<td>N</td>
<td>HR Manager</td>
<td>N</td>
<td>DNP</td>
<td>Saudi Arabia</td>
<td>Universal Bank</td>
</tr>
<tr>
<td>Bank (14)</td>
<td>V</td>
<td>Head of People Development</td>
<td>N</td>
<td>DNP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>Head of People Development (includes Performance Management, TM and HR IT Systems)</td>
<td>N</td>
<td>3+</td>
<td>Saudi Arabia</td>
<td>Commercial Bank</td>
<td></td>
</tr>
<tr>
<td>Bank (15)</td>
<td>P</td>
<td>Corporate</td>
<td>E</td>
<td>29</td>
<td>Saudi Arabia</td>
<td>Commercial Bank</td>
</tr>
<tr>
<td>W</td>
<td>HR</td>
<td>N</td>
<td>DNP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank (16)</td>
<td>X</td>
<td>Manager - HR Group</td>
<td>E</td>
<td>DNP</td>
<td>DNP</td>
<td>Commercial Bank</td>
</tr>
<tr>
<td>Bank (17)</td>
<td>Z</td>
<td>Professor and Director School of International Management</td>
<td>E</td>
<td>DNP</td>
<td>USA</td>
<td>Educational</td>
</tr>
<tr>
<td>Organisation (1)</td>
<td>R</td>
<td>Assistant Professor of Human Resource Management</td>
<td>E</td>
<td>DNP</td>
<td>Lebanon</td>
<td>Educational</td>
</tr>
<tr>
<td>Organisation (2)</td>
<td>S</td>
<td>Senior Consultant</td>
<td>N</td>
<td>5</td>
<td>Saudi Arabia</td>
<td>Consultancy</td>
</tr>
<tr>
<td>Organisation (3)</td>
<td>T</td>
<td>Director of Consulting Services</td>
<td>E</td>
<td>15</td>
<td>UAE</td>
<td>Consultancy</td>
</tr>
<tr>
<td>Organisation (4)</td>
<td>U</td>
<td>Chairman</td>
<td>E</td>
<td>30+</td>
<td>USA</td>
<td>Consultancy</td>
</tr>
</tbody>
</table>

Notes: DNP = Did not provide; N= National, E= Expatriate
5.1.2.3 Pilot Work

The researcher conducted an initial pilot study using face-to-face interviews with HR managers. The length of the interviews ranged from ten minutes to two hours, with representatives from two banks. However, the researcher felt there was a lack of honesty and sincerity on the part of the HR managers and that they were trying to sell their banks, rather than answering the questions truthfully. In addition, because the researcher is female and the majority of HR managers are male; it was difficult to obtain clear information that was linked to the research, due, perhaps, to cultural factors relating to gender inequality. For this reason, the use of on-line open-ended questionnaire was chosen to allow the researcher to obtain rich data from those who are close to the phenomena under study.

5.1.2.4 Development of The Open-Ended Questionnaires

Seven questions were designed to collect information about TM in the region (see Table 5.2). The purpose of each question and its relevance to the research aims are presented and discussed next.

Table 5.2: Interview Questions for Study One

<table>
<thead>
<tr>
<th>Number</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question 1</td>
<td>What does the term ‘talent management’ mean to you?</td>
</tr>
<tr>
<td>Question 2</td>
<td>In your opinion does talent management differs from human resource management? If yes, please explain why you think this.</td>
</tr>
<tr>
<td>Question 3</td>
<td>What practices does your bank use in order to meet its demand for workers? Does your bank have any particular views on employing nationals?</td>
</tr>
<tr>
<td>Question 4</td>
<td>What practices does your bank use in order to develop talent? How does your bank ensure the implementation of these talent development practices?</td>
</tr>
<tr>
<td>Question 5</td>
<td>How does your bank identify valuable and unique employees across the different levels of the bank?</td>
</tr>
<tr>
<td>Question 6</td>
<td>What steps/models does your bank use in order to retain high-value employees?</td>
</tr>
<tr>
<td>Question 7</td>
<td>Who gets involved in the process of talent management within your bank?</td>
</tr>
</tbody>
</table>

Note: The same questions were used for experts but in a general context rather than specifically for a particular bank.
Chapter Five. Study One Procedures and Findings

Question One is designed to assist in understanding how TM is defined and understood in the region and potentially addresses both the first and second research questions in study one. Because of the significance and importance of this question, further information was collected on-line via the websites of the banks and was requested from participants on the phone during the follow-up round.

The second question in Table 5.2 focuses on HRM versus TM, asking participants if, in their view, HRM differs from TM and, if so, in what sense. Because TM is a relatively new emerging topic within the broader area of HRM, many scholars believe that it can be described as complementary to HRM, while others explain that TM practices and their intended outcomes differ from those in HRM. This question serves two purposes: first because of the unclear inconsistent definitions in the literature, it can be difficult to distinguish TM from HRM, and this question helps to do so; second it provides evidence for whether the differentiated approach is used in TM or not, as is explored in Lewis and Heckman’s (2006) review.

Question Three asks participants to explain how they meet the demands of workers and what views they hold about national employment. This question was included in view of the regional literature and the significance of the quota system. For decades, the labour markets of the GCC region have been described as unique because of their high dependency on expatriate workers; the high rates of unemployment; and the region being youthful (see, research context in Chapter Four for details). Question Three is important because the unique labour market structure may influence TM practices in organisations.

Questions Four, Five and Six were included to provide information about TM practices. These questions explore three of the common practices that have been suggested by the literature as TM practices: talent identification, training and development, plus talent retention (see, for example, Stahl et al., 2007). As
differentiated TM is the primary focus of this thesis, it is important to gain an understanding into how this sub-group of employees may be managed differently from the rest of the workforce.

Question Seven collects information about the actual process of TM, on who exactly is involved in the TM cycle. The significance of this question lies with investigating how things happen, and the involvement of top management. For example, in their research, Mäkelä et al. (2010) explored talent identification and identified two level processes as explained in the literature review in Chapter Two. They highlight the role played by line managers and the consequences of this for talent identification. This study is one of the few that seeks to identify the organisation’s agents who are responsible for the TM process.

5.1.3 Study One Procedures

After identifying a sample of banks that fit the criteria, an email was sent to the banks’ HR managers inviting them to participate. All materials used to collect data, emails, cover letters and the questions, were in English as it is the first language in the private sector business environment in GCC countries. The cover letter explained the reasons for the study and provided further information for potential respondents (see Appendices 10.1). The cover letter ensured that each participant understood the information to be collected in the research and why the research was being undertaken.

The first round of emails was sent out in October 2011. National Eid celebration took place in November and this was used as an opportunity to send participants Eid blessings, as well as reminders about the questionnaires. Less than half of the contacted banks responded and two individuals suggested someone else as being more suitable to provide answers. The new contacts were sent emails and
followed up after one week. By the last week of November, managers from banks who had not responded were called and personal contacts at these banks were politely asked to chase the delayed responses.

Some participants who returned surveys were contacted by phone to follow-up their responses. This was mainly when their questionnaires responses had been unclear or they had used short phrases for technical terms, so they were contacted to explain their answers. As a result, five banks were called each call ranged from 20 minutes to 45 minutes, and notes were taken, with one participant preferring to be followed-up by email, to which he responded promptly. When participants were called, they were asked to clarify and/or explain their answers further. At the end of the call participants were asked if they could provide any extra documentation to support their answers, for example a talent review sheet or a career path document for individuals who have been identified as talent. After this, participants were thanked for their participation, and asked if they would be kind enough to assist in study two and in distributing the main survey.

Three banks replied after the third round of emails that they would prefer a phone-only or a face-to-face interview. A phone interview with one participant was organised and conducted from London; it was 40 minutes long, and the participant declined to share any documentation. The other two banks agreed on face-to-face interviews and these were scheduled to take place in January 2012 in Riyadh, Saudi Arabia. These participants were kind enough to offer an hour of their time; however, no documentation was provided to support their answers.

In all thirty-four banks were contacted. The response rate was seventeen banks, broken down as follows: in Saudi Arabia, twelve banks were contacted and eleven banks responded; in Kuwait seven banks were contacted and three banks
responded; in the United Arab Emirates nine were contacted and two responded; finally in Oman four were contacted and one bank responded.

In addition a total of eight expert participants were invited to take part, two of whom were academics and six were consultants. Emails were sent out in October 2011 and data obtained in November 2011 from five participants. One of the consultancies that did not respond emailed back saying their company has a policy of not allowing their employees to take part in any research. A second consultant agreed to have an informal conversation and shared a few reports about TM issues in the region; nonetheless employees of his organisation were also not allowed to participate in external research and so he requested that information obtained from him not be shared and only to assist the research.

5.1.3.1 Study One analysis

Data were analysed following several steps, drawing on Ritchie and Spencer’s (1994) suggested steps. First the researcher familiarised herself with the data collected by reading the full-text responses from the participants multiple times. The nature of the responses within the data collected was written text, often involving several sentences as answers to the questions posed. This data was then expanded, in several cases, through the follow-up interviews with additional notes taken by the researcher and/or through the incorporation of supporting documents and materials provided by some of the participants. After that it was possible to identify themes that emerge from the data and then gradually build an image of the collected data that then allowed interpretations from it. From this process categories and themes emerged. However, these steps did not follow a linear strategy as the researcher had to go back to different parts of the data and then edit the emerged categories and themes to reach the final results.
After themes have emerged from the data these were then compared to the relevant literature, which helped to develop these themes further. For instance at first participants answers were grouped to match that of the research questions for study one, then these themes were compared to the relevant literature at the time that then allowed for more coherent and organised thematic development, since participants showed similar understanding to that available in the TM literature, such as the three streams found in Lewis and Heckman (2006). This then allowed for more themes to develop and others to be combined together, which allowed more coherent and relevant information to emerge that helped to better understand how talent and TM are identified and practiced in the GCC banking sector.

5.2 Study One Findings

This section will outlines findings in relation to the research questions. Because of the qualitative nature of study one, responses are presented from the participant’s point of view; quotes and data which support their answers are referred to where applicable and links to the literature are made briefly.

The first question concerns participants’ views about what they think talent is in their banks or the banks they work with.

5.2.1 How is talent defined in the banking sector of the GCC countries?

To address the first question the data were organised according to two principles: talent as object and talent as subject. This is firstly because the collected data could naturally be divided in such a way and secondly, because doing so allows a better understanding of how these banks identify their talent and how they later manage them.

5.2.1.1 Talent as object - characteristics of people
The first theme used to explain what talent means in the GCC region is drawn from Gallardo-Gallardo et al.’s (2013) talent typology: talent as object. Participants who perceived talent as a set of characteristics are presented in this section. Participant T explains his view when it comes to managing talent by which he is referring to the whole workforce: “...I think it’s now much more used as an all-encompassing term to describe ‘workforce’.

Participant T’s answers are based on his experience as a consultant working with several banks, so he has an inside view of how he thinks banks perceive TM nowadays, which explains why he uses the word “now” to describe the changes that have occurred in managing talent.

Participant H, believes that identifying talent starts with highlighting the importance of having a degree-level education, then goes on to suggest a number of skills: “Employee Character: Multi-skilled, reliable, proactive, self-disciplined, dedicated”. Participant H refers to list of soft-skills that individuals have developed, which are generic and not necessarily only linked to working in a bank or in the banking industry per se. This perhaps is indicative of two things: first a shared talent profile which banks in the region hold, and second the shortage not only of educated talent, but also of those educated well enough to have the characteristics required to be unique.

In relation to the table provided by Gallardo-Gallardo et al. (2013) and presented in Chapter Two (Table 2.4) of this thesis, the current data suggest a similar view and adds further talent characteristics. The object typology, as described by Gallardo-Gallardo et al. (2013), helps to suggest what talent may look like in an organisational context. For example, the data presented above indicates a similar talent profile to an extent among banks in regards to what talent is.

Thus, an explanation of what participants consider to be talent in a work setting is helpful because it explicitly shows that, though this is a different context,
Chapter Five. Study One Procedures and Findings

159

concepts of talent characteristics in the work environment may be of a global nature. Further, the identification of generic skills rather than technical ones, this suggests that banks are likely to nurture their employees so that they acquire and learn these generic skills. Nonetheless, out of the seventeen banks participated, only three individuals and two out of the five experts respectively perceived talent as object. The next section illustrates the opposite view, talent as subject.

5.2.1.2 Talent as subject - some people

Talent as subject refers to the view whereby firms perceive a small group of employees as talent and so identifies a sub-group of individuals from the entire workforce. Banks in the GCC region are aware of talent as subject and do indeed use it as part of their talent system. For example, Participant R identifies talent as: “...Qualified people that are key to strategy implementation.. It usually targets 10% of the workforce who have 90% impact on the company’s performance”. Participant R views differentiation as beneficial to the firm’s performance.

- Talent as Individuals’ Potential

Additionally, Participant L explains: “On the other hand, talent management focuses on those who have high potential, staff that can be future leaders or with capacity to create and innovate to add real value to the organisation.” There seems to be a drive to identify talent as those who possess soft skills, linking talent to the future potential of employees at the bank. As an example the participant from Bank 9 provided an image that shows the skills the bank is looking for in their talent traineeship programme (see Figure 5.1). The list contains characteristics such as those listed by Participant H above (self-motivated, reliable, dedicated, and proactive) along with others. The significance of soft skills would suggest that banks are more
interest in such skills rather than the technical skills, and so talent are identified according their possession of such skills or not.

Figure 5.1: Bank 9 – Talent Characteristics

Indeed, Participant A trust that talent are those who have “...positive attitude, the right behaviours, and great potential.” whilst Participant M suggests talent are “bright individuals”. The banks seem to identify talent based on soft skills that are generic and less technical in nature. Ali (2011) suggests that the number of technical and higher education institutions in the region have increased, as well as student enrolment, hence the region does not face a shortage in technical skills or degree holders, but rather in personality and soft skill traits, that would allow them to hold future leadership positions.

Thus, banks in the region are now subscribing to the significant value of investing in a small group of employees: improved firm performance, value creation, and higher returns on development investment seem to be the outcomes which are
described as stemming from managing talent differently. “Consequently, talent management is the key word. It is selecting the best people as they are true creators of value…” (Participant, M). Participants in the sample who work with more than one bank explained that targeting smaller numbers of individuals to invest in serves the banks’ development better. Participant T, states: “I think some banks are waking up to the idea that they need to make targeted investments in a limited number of people to get maximum ROI on development spend.”

- **Contextual Identification of Talent**

In the GCC region, defining talent is not dependent solely on performance and potential; other characteristics seem to play a role such as gender, tribal origins and nationality. For example, Participant M stresses the importance of hiring nationals; “Special attention is directed to hiring nationals. We definitely hire only nationals for entry jobs as much as possible”. Participant E explains; “If there is a vacancy and two candidates are available with the same skills and competencies, the ...national should get the priority”. Participant, R adds; “Nationals get privileged treatment and are not penalised for bad performance”. Thus who you are and what you are can be different things, as Participant R explains: “..Pre-selection is based on tribal or personal attributions. In this, it’s who you are rather than how good you are that matters”.

Whilst gender is a grey area, participants from the experts group indicate that women have yet to be managed equally to men, whether talent or not: “In all of the banks I have worked with, there are a lot of women operating at the lower levels, but very few in managerial positions” (Participant T). Hence criteria such as gender, nationality and tribal identity are elements in talent identification that may be contextually related for the GCC region when defining talent.
In summary, talent as a sub-group of employees is a fundamental idea in TM literature and, so it seems, in many banks in the GCC banking sector. Indeed, talent as subject seems to be the most dominant view in the region; fourteen out of the seventeen participating banks and three out of the five experts respectively perceived talent as subject. Nonetheless, who talent are may indeed differ from one context to another, as revealed in this data.

5.2.2 How is TM defined in the banking sector of the GCC countries?

This section first considers the participants’ views on TM and its link to HRM, followed by a discussion of talent as a differentiation approach. Talent recruitment and identification practices are explored, followed by talent training and development, and finally retention.

5.2.2.1 TM and its connection to HRM

A number of participants viewed TM as being more or less equivalent to HRM, or at least in the same way as much academic literature discusses HRM. For example one participant explains, “...Talent management is a way in which we help our employees reach higher levels of performance, develop and maintain the standards achieved. It is a combination of learning, training and managing performance” (Participant C). Participant Y identifies TM as; “... the process of discovering, developing, deploying, motivating, and energising the workforce within an organisation to effectively achieve objectives and enhance the competitive position in the marketplace.” According to this view point TM has similar outcomes to HRM and, more specifically, is used to manage the entire workforce, either to improve performance or motivation.

Nonetheless two participants suggested that TM is a replacement for HRM on the basis of two different rationales. The first argues that TM is more humane than the
use of resources in HRM, in other words it treats employees as people rather than objects. The second proposes that HR roles could be delegated to line managers. The concept talent is described as being more humane in contrast with the assumption of humans simply being part of the resources of the firm. Participant T states: “I don’t like the term ‘human resources’ - it makes things sound very impersonal. At the end of the day, organisations need to get the most out of people, with all the complexity that brings. Therefore, talent management, to me, is people management.” This perspective is a mere replacement of one term with another, with no different practices or management systems attributed to TM per se.

Additionally, the other participant explains that HR in the GCC region is about administrative work and so focuses on issues that contribute less to the development of the workforce and the achievement of the firm’s goals. Examples of the HR role he/she offers include taking care of immigration issues, employees’ pay, and so on. Thus, TM is viewed as the solution to HR failure, which should then be replaced by TM, while matters that are currently part of HR are delegated to line managers. Participant A explains: “However, in the future, Human Resources will diminish, the task that HR does today is the responsibility of every manager. Talent Management, aka human capital, should replace HR. TM is the integration between all HR functions to ensure skills are learned, compensation packages are aligned, and the right people are progressing with a solid and scientific plan.” This view may be contextual, as researchers in the HRM literature on the GCC region share the view that HR contribute little to firms’ strategic goals. Participant R observes; “..that HR is not playing the role of a full strategic partner.”

In their recent work Afiouni et al. (2013) examine HR value propositions in the banking sector of Arab Middle East (AME) countries and conclude that the role of HR in the region is more concerned with managing people flow and accommodating
line managers’ needs, and pays less attention to shaping HR practices. So one could speculate that TM, as a replacement to HRM, is the response to the limited role of HRM in the AME region or specifically in the region’s banking sector. Though this notion may be context specific, it may provide a new avenue to help explain why several researchers and practitioners view TM as equivalent to HRM. However, illustrated shown in the next section, the majority of participants believed there to be a separation between the functions of HRM and TM.

5.2.2.2 TM as a Differentiated Approach

Study one participants generally viewed talent to refer to sub-group of employees. Most participants consider the relationship between HRM and TM as being different from one another. Therefore, in this section the focus is on how participants regard TM to be a more strategic and differentiated approach, which distinguishes it from HRM. Participant N explains: “Talent Management is the strategic part of the Human Resources, and Human Resources can function without Talent Management but it can’t be the other way around.” By saying this he indicates the strategically significant role and contribution of TM; nonetheless he also emphasises that TM cannot function without HRM.

By contrast one participant explains TM in relation to its contribution to achieving strategic goals, so participant R suggests that; “... talent management is the continuous process of attracting, developing and retaining qualified people that are key to strategy implementation”, indicating that qualified people are a sub-group of employees which, as she mentioned earlier, make up 10% of the workforce, thus managing them is significant because of their important role in relation to reaching the organisation’s objectives. She uses the word “continuous” when explaining the process that follows, indicating that TM is part of a rapidly changing process that is, nonetheless, limited to those who are qualified to help achieve the firm’s goals.
Participant E describes TM as, “Attracting, developing, deploying and retaining high potential employees to fulfil their full potential and maximise their contribution ...”. When asked about HRM and TM she comments, “Human Resource management is a bigger set of activities which also incorporates Talent Management which is dedicated only to high potential employees or successors who will be the future leaders of the bank.” Thus, most of the participants in this sample, whether researchers or consultants, clearly indicated a division between the roles played by HRM and TM in their respected banks or in the banks they work with.

From the data two distinct perceptions of what TM is emerged; one that TM is similar to or replaces HRM, while the second distinguishes TM from HRM referring to management of a sub-group of individuals. Furthermore four out of five experts and 70% of the practitioners agreed that TM should manage high profile, qualified individuals to add value to the firm and to reach its strategic goals.

5.2.3 Differentiated Talent Management Practices

Three practices were commonly identified in the TM field and have already been discussed in depth in Chapter Two: differentiated talent identification, differentiated training and development, and finally differentiated talent retention. The questionnaires were designed to cover all three areas, so as to obtain sufficient results on all three types of practices. The next section considers the answers provided for each of those practices with evidence obtained mainly from Bank 9 and some from Bank 5.

5.2.3.1 Differentiated Talent Identification

Two types of talent identification emerged here: first talent identification before joining the bank, dominated by talent as fresh graduates; secondly talent as employees who are already at the banks. Employing new graduates is common
practice among GCC banks and more than 50% of the banks in this sample recognise graduate recruitment as a tool to address the challenge of nationalisation quotas. Participant L makes the following observation: “the university graduates program where we attract talented national fresh graduates from different schools to join the bank. These young men and women would go through training program to equip them with the knowledge, skills and attitude to work in the bank in various functions.”

Methods such as the use of careers fairs to attract talent, and identifying young national talent who have been educated in a foreign university, contribute to identifying talent among the pool of fresh national graduates. Bank 5 goes so far as to sponsor students to meet their talent shortage. Participant E explains: “we use different channels of hiring. Besides the usual ways of hiring like participating in career fairs, newspaper advertisements, and working with agencies to fill the vacancies, we also have more long terms solutions – like sponsored students, international sponsors, secondments, in-house diplomas, associate degrees and masters programs”.

The second stream of answers focused on the internal identification of employees who are already in the bank, either by line manager nominations or the use of nomination and tools together to reach fairer decisions because it is a result of managers’ decision and evaluation tools. Nonetheless, nominations by line managers seemed to be more prevalent: “Valuable and unique employees across the different levels of the bank are identified by the group heads, assessing and identifying business critical key positions and potential successors from a high-flier staff list.” (Participant, G). Generally participants explained that identifying talent internally goes through a long process before an employee can be included in the bank’s talent pool. The start of the process is when line managers or direct supervisors nominate an employee for consideration for the talent pool. After this, in some banks, psychometric testing may then take place, while panel interviews may take place in
others, before the employee can finally join the talent pool. It is also the responsibility of the line manager or the direct supervisor to inform the employee that he/she is part of the talent pool. The employee talent then has a talk with the direct manager, or sometimes with the talent manager plus human resources manager, or with top managers and others, to discuss his or her career path.

Nonetheless, banks in the GCC region seem to have some awareness of the possibility that managers may be biased and so provide a guide as well as tools that may potentially limit biased decisions. For example, Figure 5.2 illustrates some of the issues which line managers must consider before nominating someone as future talent. The criteria they use relate to the employees’ current work and require line managers to ensure potential talent employees are up to the standard required for nomination. Additionally, the nine-box grid, psychometric testing, talent reviews, balanced scorecard and the use of performance appraisals.

*Figure 5.2: Guideline for line managers (Source Bank 9):*

To prepare for the conversation, spend a few minutes considering these questions:

- Where have they already gained good experience and what experiences do they need to fill some of the gaps to continue a successful career?
- What potential do they have to take on roles outside of their current areas of responsibility?
- How and where do they make the greatest impact? When do they impress me? What are their strengths?
- When are they most motivated and by what? What is their level of engagement?
- What are their aspirations? Where do I see them in the future? Are they being stretched?
- What gets in the way of them contributing? What can I do to help them address this?
- What bias might have affected my perception of their potential, e.g. age, gender?

Thus, Participants O, J and B all use the nine-box grid as an example of a tool that helps them to classify employees according to two elements, high potential and high performance (Figure, 5.3). They suggest that such tools help them to move away from biased identification of talent and increase the likelihood of accurate identification: “*Some are identified through formal performance appraisal processes*” (Participant R) and; “*By establishment the balanced scorecard and performance management (High Demand these days) they identify the top performer employees.*”
Currently I’m working with some banks they started building 9 box-grid-talent reviews” (Participant S).

Figure 5.3: Nine-Box-Grid (From, Bank 9)

On the other hand, in small-sized banks, managers suggest fewer tools are necessary to identify their talents, as they know who the talent are: “Most of the banks I deal with are still sufficiently local / small that the CEOs have a pretty good idea of who the future stars are” (Participant T). However, this may open the door to several biases. Though talent identification differs internally according to size or tools and methods available at the bank, nonetheless, it all starts with the line managers’ nominations and ends with line managers communicating with and developing these young talents, (for example Figure, 5.4). Thus, responses with supporting documentation, show that line managers play a significant role in internal talent identification.

Figure 5.4 Example of Personal Development Plan, (Source, Bank 9).
Thus, talent identification in the GCC region’s banking sector seems to be a combination of what takes place before and after potential talent joins the bank. Outside the bank the talent pools are formed of freshly graduated national employees, whilst the internal talent pool process starts with line managers’ nominations of talent, in combination with other tools, which are used to justify their decisions.

### 5.2.3.2 Differentiated Talent Development and Training

The TM literature suggests that talent need to be offered more resources and receive greater investments than the rest of the workforce, such as international courses, participation in leadership meetings and coaching. This section explores this notion of differentiated training and development.

The 70:20:10 development model obtained from Bank 9 refers to how talent are developed. The model suggests that talent should obtain 70% of their knowledge on the job, by managing special projects, carrying out assignments and from international secondments: the focus is on ensuring talent learns mostly by experience. The 20% refers to learning by interacting with others, something that occurs through feedback and discussion of the talents skills gaps and ways to overcome them. The final element of this model is the 10%, where talent learn from attending classes that can be offered internally, on-line or through external providers.

The second most commonly cited training and development method is
coaching and mentoring. Although these are included as part of the 70:20:10 model above, it is highlighted separately here because participants seem to believe that this is one of the most efficient tools in talent development and learning. Participant V comments: “there are two critical developmental tools within the People Development platform which comprise of both coaching and mentoring. Coaching and mentoring have emerged as important development tools”. Coaching and mentoring are important because of their tendency to ensure communication and feedback exchange, as well as leading to increased performance and a “vibrant corporate culture”. Participant V adds that; “also support[s] its potential managers and senior management through several programs. Executive Education is a program created to understand executives’ key strengths and weaknesses through specific assessments where the results are key in finding the appropriate training solutions, for this program we partner with the top business schools around the world to provide for us key individual trainings such as London Business School, Harvard Business School, and Stanford Business School.” These investments are made for talent to ensure they continue to receive training alongside coaching and mentoring, and so it is evident that investment in key individuals is considered one of the banks’ most important practices.

Finally, the majority of banks and consultants surveyed suggest that internal career development schemes are offered as part of talent development (see Figure 5.5). Career development schemes work as mechanisms to help both talent and their employer understand the talents’ strengths and weaknesses plus identify gaps in the talents’ skillset and ways to overcome them. Bank 9 for example, requires line managers to hold career talks twice a year with their talents. The potential benefits of such a scheme are that employers can monitor the talents’ progress, and ensure any shortage in their skills are addressed before they hold any future positions. Employees
benefit by being able to develop their careers supported by their bank and thus progress in the bank, potentially leading to a leadership position in the future.

Figure 5.5: Career development plan example (Source, Bank 5)

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<thead>
<tr>
<th>Name</th>
<th>Emp No</th>
<th>Date of Joining</th>
<th>Age</th>
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<tr>
<th>Current Position</th>
<th>Current Grade</th>
<th>Target Position</th>
<th>Possible time frame</th>
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<tr>
<th>Line Manager</th>
<th>Branch/Dept</th>
<th>Performance Ratings for Last 3 years</th>
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<tr>
<th>Highest Qualification</th>
<th>Professional Certifications</th>
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<td>Education (Degree)</td>
<td>Level and Institute</td>
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<td>Diploma</td>
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<td>Certificate</td>
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<th>From</th>
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The survey results show that most of the banks offer their talent a number of generic training and development schemes, in which they invest in to a great extent. The nature of such practices is similar to what has been identified in the TM literature as types of differentiated talent training and development, (see Chapter Two section 2.4.2.2.1). For example Stahl et al. (2007), and the CIPD’s (2006) list of eighteen practice activities, such as international secondments, MBA programmes, coaching, and training. This perhaps indicates that these practices are indeed of a global nature and so are applicable in wider contexts.

Secondly, participants were asked to identify programmes that are offered to talent and are less likely to be offered to non-talent. The nature of development opportunities offered to talent seems to be different from those offered to non-talent,
in the sense that talent are offered opportunities to develop generic skills that they can use personally in their careers within or outside of the bank.

In contrast, non-talents are offered training opportunities that are linked to the bank services and what the bank does. Though the survey did not specifically ask about non-talent, when examining the talent programmes offered to graduates on the banks’ websites as an example, it can be seen that they cater to a different set of skills than those that are offered to other direct recruits. For example, Bank 8 have three different career paths that they advertise and, depending on which path the candidate is accepted, they are offered different training opportunities; the higher the degree, qualification and skill level, the more likely they are to join the talent programme.

To sum up, study one has collected and presented specific evidence to support the view that genuine differences exist between talent and non-talent in terms of the development and training that talent receive in most of the banks in the sample.

5.2.3.3 Differentiated Talent Retention

When asked about the retention of talent, many participants first stressed that this is a very challenging area and then moved on to explain how they go about it. "The market demand for talent is very high; the biggest challenge is maintaining your talent and growing them internally and not to lose them to competition" (Participant C). Furthermore, participants seem to use differentiated talent development as a means of retaining talent. The use of economic incentives is also mentioned and finally it was suggested that annual surveys and exit interviews act as part of the solution to the challenge of the retention of talent. Bank 2, for example, has seven developmental programmes, covering junior talent up to executive learning to ensure the skills gaps of employees are filled as they move up the hierarchy. The participant from Bank 11 suggests development plans can be used to retain talent after the gaps in their skills have been discussed. The idea behind development plans is to communicate to talents
that they are not just working within the context of a particular job, but rather of a career. In other words, talents are working in a current job and are advancing their careers within the bank. Participant K explains; “Our strategy is to provide highly structured career path and related career path training plans to staff in the belief that having a career versus a job will stabilise the work force”.

A financial talent retention method is to pay talent above the market norm, as well as offering talent shares and bonuses. Participant G explains that at their bank they employ; “... a mixture of sourcing, training and development, onboarding, performance incentive management schemes, job rotation and promotion, providing competitive compensation and benefits and a retained bonus scheme”. These incentives are repeated throughout the region as Participant S outlines, based on his work with a number of banks: “They develop the motivation programs such stock options, bonuses and salary increase for the top performers”.

Having said that, a differentiated TM approach might have its consequences on employees’ perceptions of their firm and perhaps influence their turnover levels. Participant G raises one challenge that could potentially face differentiated TM, and that is to have a de-motivated workforce, by which he means; “Resentment from and de-motivation of other staff - who are not in the talent group”. Participant A, by contrast, explains that, although some staff (non-talent) may react negatively, nonetheless he trusts that differentiated TM can perhaps be seen as a tool to motivate the rest of the staff. He proceeds to explain that negative reactions may conceivably be mitigated by having managers speak one-on-one with employees who are showing negative reactions. However, to date, there has been little work done in the field of TM which shed light on employees’ responses to differentiated TM and why individuals’ reactions vary.
Therefore this study presents evidence showing that talent in banks in the GCC region are presented with a number of additional practices to try to enhance the likelihood that they will continue working for their organisations.

- **Differentiated Talent Management Practices – Conclusions**

The data suggest a differentiated TM approach is used in many banks in the region’s banking industry. Banks use talent identification to identify talent both before and after taking on staff. Individuals who are identified before joining the bank are mostly fresh national university graduates who were educated across the world. Identifying individuals post-employment is undertaken by line managers acting as internal talent agents, and they play an important role in identifying, developing, and communicating with talent in the internal labour market. Such results, found are generally in keeping with Western ideas on talent identification, such as Ready and Conger’s (2007) and Stahl et al.’s (2007) best practice. While exceptions are found, a contextual element may also be apparent. Similarly to the explanation offered by Sidani and Al Ariss (2014), nationals are hired from fresh graduates pools because companies have long-term investments plans for them, whilst expatriates are hired with ready-to-use skills.

Thus, talent identification is of a complex nature in the GCC region, as although not identified as part of the definitions of talent that emerged from the interview data, nationality seems to be a key characteristic of talent in the region. All of the experts and half of the practitioners described government quotas as one of the main challenges facing today’s firms in the region and drive for their use to differentiated TM. In talent identification, nationality is highlighted as one aspect of the talent profile when selecting talent externally or nominating them internally. It was not surprising that most participants in this study consider nationalisation a challenge, but that they cite TM as a solution is an interesting result.
If the banks uses differentiated TM to support their needs, as suggested, in this case fulfilling the government quota may increase the firm’s legitimacy and ensure its survival in the region. Yet what influence does this practice have on employees? As in Sidani and Al Ariss (2014) findings, the notion of ghost workers did surface in the data. Participant T describes the ghost workers phenomenon as where the private sector hires nationals to avoid government penalties and provides such workers with a salary each month, although they are not doing any job: “Quota-based nationalisation programmes positively impacts on macro-employment figures, but leads to banks putting ‘bums on seats’”. If tackled ineffectively, nationalisation may be an unethical outcome of TM and could be destructive for the bank and for society alike. Therefore there appears a certain bending of the notion of talent in this context. It is debatable whether being local (nationality) reflects the greater human or social capital that is believed to underpin the greater potential of talent. This also brings issues of justice to the fore, in terms of whether nationality is as a fair criteria upon which to base differentiation.

What does seem evident is that once identified as talent, there is a clear distinction in many banks with regard to how employees are subsequently treated. There is evidence of greater and more sophisticated training and development being available to those identified as talent, compared to those who are not. There is also evidence of greater financial rewards and incentives being offered to talent over non-talent. Such differentiation in treatment mirrors that reported in the Western literature.

Nevertheless, despite this superior treatment, nearly all banks in this sample either identified retention as a challenge or stated that creating retention strategies is one of the most difficult issues they face in their bank. Sidani and Al Ariss (2014) highlight this challenge in their results and suggest firstly that, when it comes to expatriate talent, financial rewards is the strategy which should be used to retain them.
However, when it comes to nationals, the situation becomes complicated. They explain that the private sector in the GCC region find it hard to compete with the public sector that offers relaxed jobs with similar salary.

5.3 Chapter Conclusions

In summary, the results obtained from the practitioners from the seventeen banks and by the five experts on the region’s HR practices reveal that differentiated TM exists in the banking sector of the GCC countries. Talent are perceived by the majority of the sample as a sub-group of the total workforce who need to be managed differently, whilst the rest of the workforce are looked after by the HRM of the bank. An agreement exists among the participants, in terms of TM outcomes, that is to enhance the bank’s performance by identifying, developing and retaining talent. Unusually, in this context and due to set employment quotas, nationality (and more specifically whether the individual is a local) seems to play an important part in being identified as talent. This is an important issue to consider in relation to TM in the region.

The three practices that emerged are extremely similar to those cited in Chapter Two as commonly associated with TM: differentiated talent identification, training and development, and retention. Talent identification is hugely important, because subsequent differentiation follows on from this, and so it forms an essential starting point for companies. Identification, according to this data, takes place at different times and takes different forms. For example, one group of talent pool individuals are identified prior to their joining and others are identified later. Talent identification internally depends largely on line managers’ nominations, using tools that at the end often depend on their personal judgments regarding their subordinates. This points to the existence of multiple entry points into talent pools, and, potentially,
even multiple talent pools, existing within the GCC banks. It also emphasises the crucial role of line managers in the TM process.

What does seem clear is that once in a talent pool, individuals then experience a differentiated set of practices, that vary from practices experienced by those outside of the talent pools, focused on enhanced skills and career development and in increasing the likelihood of retention. While there is a great deal of confidence that this differentiation is merited and will ultimately pay off for the organisation, there is less evidence that this is guaranteed to happen. There remains considerable concern relating to the high turnover of talent. Among the experts, similar concerns are expressed about the reactions of non-talent to the differentiation, in light of the potential for perceived injustice relating to the difference in treatment.

One of the purposes of study one was to establish whether there is room for further investigation, which could be useful in relation to both differentiated TM implementation and the non-Western context that this offers. The findings presented in this chapter seem to point to a number of issues that merit such investigation and some of these are addressed in study two.
Chapter Six: Study Two, Part A: Procedures & Findings

6.1 Introduction

This chapter moves on to describe the main study in this thesis, which examines employees’ reactions to a differentiated TM approach. Study two’s findings are presented in two chapters, since they serve two purposes: the first (part A) is exploratory in nature, whilst the second (part B) involves testing the analytical model. This chapter starts by presenting the aims of study two part A and the overall model that informed the study, followed by a discussion that proposes associations between the different types of talent identification and four sets of outcomes. The next section explains how the current empirical literature has measured talent identification and how it has been tested empirically. Next, the methods and procedures used for study two, are described along with the sample characteristics and measures. The chapter concludes by briefly summarising part A of study two.

6.1.1 Study Two Aims and Model

To reach the overall objective for study two four sub-goals need to be tackled, before moving forward to test a more detailed and restricted analytical model. Part A of study two first examines the operationalisation of and the relationships between three sources of talent identification, followed by an exploration of their link to a range of employee outcomes, see Figure 6.1. Secondly, it tests for any influence incongruence may have between the sources of talent identification and employee outcomes. Finally the combination of these will inform the analytical model in the second part of study two, outlined in the next chapter.
6.1.2 Different Methods of Talent Identification

One of the aims of this thesis is to try to test the various sources of talent identification and identify what most influences employees’ behaviours and attitudes. Approaching talent identification as a simple and uncomplicated process is possibly one of the challenges that organisations may face when implementing differentiated TM. This is because from a firm’s perspective, talent identification leads to the implementation of other differentiated TM practices, such as training and development, and so investing in the wrong individuals may be costly (Sonnenberg et al., 2014). Additionally different sources of talent identification could lead to different effects, as explained later in this section, and so researchers in differentiated TM should take this into consideration when testing for talent identification and its effect on employee outcomes. Since different sources of talent identification might identify different people as talent, perhaps being identified as talent by different source could lead to different effect, these different sources have been used in previous research, however, no comparison of these sources have been conducted today. Before moving forward to examine how this study...
operationalises talent identification, it might be useful to start with a reminder of how recent publications have operationalised and tested talent identification.

6.1.2.1 Existing Operationalisation of Talent Identification

Four studies were presented in Chapter Two, which are of interest to this section that explores employees’ reactions to TM. Existing TM literature agrees on the need for a differentiated approach in TM, although research is inconsistent in who is described as being talent. Even though these four studies all test employees’ reactions, they operationalise talent differently. The next section starts by discussing how these studies operationalise and measure talent identification (for more details on these studies please refer back to Chapter Two, section 2.3). The studies are considered in date order, namely: Björkman et al. (2013) Gelens et al. (2014), Sonnenberg et al. (2014) and finally Gelens et al. (2015).

Björkman et al. (2013) tested talent identification by asking respondents to answer the question: Are you formally identified by the [multi-national enterprise] as belonging to a talent pool? They differentiated between three categories, those who answered ‘yes’ were considered to be talent, a second group who answered ‘no’ were categorised as the non-talent, and finally a third group, who did not know whether they had been formally informed by their firm of whether they were talent or not. These three categories were distributed in their sample as follows: 185 as talent, 90 as non-talent, and 495 who did not know. Hence, talent identification for Björkman et al. is dependent on employees’ own perceptions of whether their organisation had informed them that they were talent or not.

By contrast, Gelens et al. (2014) distinguished between talent and non-talent based on organisations’ ratings of their employees. As such, it was the organisation who
identified who was or was not talent/ (or, in their terms, high potential) and provided records to the researchers of who was in each group. Gelens et al. sent one set of questionnaires to all participants, they created two links, one for those who the firm identified as talent, and the second for those identified as non-talent. In doing so they kept the data anonymous, at the same time being able to see who talent was and who was not. The final sample was made up of 120 talent respondents and 75 non-talent respondents. Hence, talent identification for Gelens et al. (2014) depended on the firm’s own categorisation of who talent were and who were not.

Sonnenberg et al.’s (2014) operationalisation of talent identification consisted of two components. The first was similar to that used in Gelens et al.’s method, where they requested a list of at least 100 employees per group per company, both talent and a referent group of non-talent. Their second method of identification depended on employees’ self-perceptions, based on the questions in their web-based survey: Do you perceive yourself as talent for this organisation? The total sample was 2660 individuals 44% of respondents were identified as talent by their organisation and 56% as non-talent. However, 88% of the total sample self-perceived themselves as talent with 94% of individuals identified as talent by the firm perceiving themselves as talent. On the other hand, 84% of individuals who were not identified as talent perceived themselves as talent. Hence, the incongruence between the two sources of talent identification, by the firm and by employees’ self-perception, suggests a multiple source of talent identification provides variation. So by examining Sonnenberg et al.’s sample, it is evident that talent identification is potentially more complex than the literature conceptualises it to be.

Indeed, Gelens et al’s (2015) two part study examined two sources of talent identification at two different firms. The first study was similar in nature to Gelens et al.’s
(2014) operationalisation of talent identification, where archival data were obtained from organisations and two online surveys were distributed for each group. The second study tested talent who were identified prior to joining the firm. Gelens et al. used paper-based surveys to collect data from individuals who were part of companies’ traineeship programmes while web-based surveys were used to collect data from non-trainees, following organisational archival data. As a result, study one had 125 participants identified as talent and 75 as non-talent, while study two had 102 participants as talent and 100 as non-talent. Gelens et al. argue that testing for talent using traineeship programmes may help to infer causal relationships between talent identification and employee outcomes, where POS plays a role to explain why employees react differently, (further details in Chapter Two, section 2.3.4). Hence, Gelens et al.’s (2015) research adds to the complexity of talent identification concerning when talent are identified, before or after their employment, something that perhaps influences their attitudes. This suggests that further exploration of how and when talent are identified might be worthwhile.

The above operationalisations of talent identification are valuable additions to the field of TM, because although other studies have emphasised differentiation, there are few explanations of who talent are, when they are identified and how. Nonetheless, remains unclear how talent were identified and when, so these studies still offer limited explanation. For instance, with Björkman et al. their talent identification question, stated above, might seem vague to participants because it asks if the organisation as a whole has identified the individual as talent. This might confuse participants, particularly as their sample is formed of multi-national enterprises that range from 2,500 to 60,000 employees, which could be why the majority of the sample did not know if they had been
identified as belonging to a talent pool or not. With Gelens et al. (2014) and Sonnenberg et al. (2014), data were obtained from the firm itself, so how the firm identified talent, by which criteria or when identification occurred, is unclear. Finally, Gelens et al. (2015) added the notion of talent as part of traineeship programmes where talent identification occurs before joining the firm, adding further complexity of talent identification.

The above studies are helpful in emphasising that talent and non-talent react differently, yet all four operationalise talent in a different way and so further research is necessary to investigate sources of talent identification more systematically, and consider which type of talent identification has most influence on employee outcomes.

The next section presents the three methods of talent identification used in this thesis and aims to explain why these were chosen, how they differ from each other, and how they might influence employees’ behaviours differently.

6.1.2.2 Study Two - Sources of Talent Identification

The operationalisation of talent identification in the four studies above were varied, however limited information is available to define this variation clearly. Consequently, bearing these matters in mind, the current thesis distinguishes between three categories of talent identification sources: formally informed as talent (FIT); self-perceived as talent (SPT) and training development programme (TDP). The next part presents these three sources, followed by an explanation of their different effects on employee outcomes.

6.1.2.2.1 Formally Informed Talent (FIT)

Firstly Formally Informed Talent (FIT) is where employees are informed by their organisation of whether they are or are not in the talent pool. With this method, direct line
managers formally inform employees that they are talent and what this entails. The use of the word ‘formally’ is to imply to participants that they have received some confirmation from their managers that they are, indeed, talent.

This source is included because, most of the time, line managers form an important element in the TM cycle. Results from study one and the TM literature review suggest that the process of identifying talent is likely to start with the direct manager’s nomination of talent and ends by them informing talent of their status. Though the line manager’s role is implied when defining TM, nonetheless their role in identifying talent is repeatedly stressed (for example, see Stahl et al., 2007; Makela et al., 2010; McDonnell & Collings, 2011). Additionally, findings from study one explicitly stressed the role played by line managers in talent identification; furthermore supporting documentation from the organisations in this study show that some banks have guidelines to assist line managers in talent identification.

Being part of the FIT group could perhaps imply that these employees have high levels of potential and performance that could possibly result in them becoming future leaders; in this they are likely to be supported by their managers and might benefit from more practices, in order to be ready for their future roles. Importantly, identification of talent here occurs after employment and is likely to be based on an appraisal of skills and abilities demonstrated on the job. Indeed, study one enabled tools to be developed to show whether individuals who are FIT had career plans for themselves within the bank; these plans are then monitored by line managers to ensure that talent are ready when they are needed. On the other hand, this might indicate that managers show less concern for non-FIT employees who may be offered nothing or less in comparison with what talent receive. Finally, although it is proposed that TM has, most of the time a discrete strategy
in relation to identification, nonetheless, it has been suggested that non-talent are often aware of their exclusion (Dries, 2013a). Thus, FIT is a concept that describes talent who have been nominated after they have shown high levels of potential and performance and have been told of their selection by their direct managers.

6.1.2.2 Self-Perceived Talent (SPT)

Second, self-perceived talent relates to individuals’ own perception of themselves and whether they think themselves to be talent or non-talent. This source of talent identification depends on an employee’s self-evaluation of whether or not they are in a talent pool within their organisation. The dominating theme in talent identification is usually about the organisation’s view of talent and employees are identified based on this, with the exception of a few studies such as Sonnenberg et al. presented earlier.

SPT is important because it may influence employees’ behaviours and attitudes. Based on social-cognitive theory, employees who perceive themselves as talent are likely to act according to expectations and so this perception influences their behaviours positively. On the other hand, individuals who perceive themselves as non-talent, may have low efficacy levels are also likely to act according to these expectations. Thus employees’ perceptions may assist or hinder the implementation of effective TM. Furthermore, Sonnenberg et al. (2014) argue that the significance of talent-perception is because of the loss of organisation of investment if incongruence occurs, or if potential talent are lost and the cost which accompanies this.

SPT is more linked to employees’ self-evaluation, and whether they rate themselves as talent or not within their workplace. The difference between SPT and FIT is that with the former participants are asked to evaluate themselves at the firm they work in while the second asks participants if their managers have formally informed them of
their status. Thus these two concepts are distinct from one another; nonetheless, it is unclear which is of more significance in determining employees’ behaviours, so further research is needed.

6.1.2.2.3 Talent Development Programme (TDP)

In talent development programme a bespoke measure is constructed from each bank’s individual talent development programme. A TDP as a source of talent identification depends on the organisation’s rating of talent in the external market and how talent are recruited to fill their programmes. Consequently, TDP are based on employees’ enrolment in the development programme at the point of entry into the organisation. With TDP’s talent are identified prior to their joining and so entry depends on the assumption of them having the required potential to become future leaders.

Stahl et al. (2007) and Ready and Conger (2007) broadly discuss attracting and identifying talent from among university graduates; nonetheless, the consequences of this strategy and how it influences both talent and non-talent have not been examined extensively, with the exception of Gelens et al. (2015). Study one indicated that TDPs form a significant part of TM in the GCC banking sector. This could be for several reasons, such as: demographics, as youth forms the largest percentage of the population; the nature of the labour market; and legislation designed to increase levels of employment among nationals (Harry, 2007; Sidani & Al Ariss, 2014).

Being part of a TDP may imply to talent that they are superior due to their individual characteristics and previous education background, rather than on their performance within that organisation. The difference between TDP and FIT is that identification takes place earlier with TDP than with FIT, and with TDP the focus of identification is based on future anticipated potential, whereas FIT is based on a
combination of current performance and future potential. TDP is different from SPT because the organisation’s decision is required for employees to be included or excluded, whilst SPT is rather dependent on employees’ self-evaluation.

Thus three distinct types of talent identification are examined in the current study, FIT, SPT and TDP. In brief, FIT and TDP are likely to depend on the organisation’s ratings of talent, whilst SPT depends on individuals’ self-rating. Furthermore, FIT is a combination of an assessment of employees’ performance and potential, whilst TDP is purely about potential. Nonetheless, up until now, research that examines employees’ reactions to differentiated TM has perhaps been more focused on organisational ratings, with fewer distinctions regarding talent themselves and how and when they were identified. Therefore, an important aim of this study is to empirically examine whether there is evidence that these three talent identification sources represent distinct categories.

6.1.3 Talent Identification and its Association with Employee Outcomes

Building on the TM literature, as well as theories discussed in Chapter Three (social exchange (SE^T), social cognitive (SCT) and organisational justice), it was suggested that employees who are identified as talent are likely to react positively. Nonetheless, few studies to date have tested the effects of differentiated TM on employees’ outcomes empirically, and where findings have been presented, the outcomes have been fairly narrow in range. Thus the aim of this section is to explore the effect of talent identification on the four categories of outcomes, namely social exchange, social-cognitive, organisational justice, and organisation-related outcomes. Some of these outcomes have been yet linked with differentiated TM, while some have not previously
been studied in this context. The outcomes are explained in the following section, along with a number of hypotheses.

6.1.3.1 Social Exchange Theory Related Outcomes

In this category two variables are of interest: first Leader-Member Exchange (LMX) and second Perceived Talent Practices (PTP). Social exchange theory was explained in Chapter Three; briefly it suggests a reciprocal relationship between the firm and the employee, where the level and nature of that reciprocation could possibly be predicted by the nature of the employee-employer relationship.

In management studies, social exchange is commonly conceptualised either as perceived organisational support (POS) or Leader-Member Exchange (LMX). The first is linked to the organisation as a whole and its support to individuals. However, LMX would be a better fit for the current study, because it is linked to the manager/subordinate relationship. Next, PTP is added as part of the social exchange theory mix because this reflects what it is the organisation provides for the talented employee and so forms part of the exchange relationship between the organisation and employees. These two concepts are explained in the following section.

6.1.3.1.1 Leader-Member Exchange (LMX)

LMX refers to the quality of the relationship between a leader and their workers. As part of social exchange theory, (LMX) suggests that leaders form different types of relationships with their employees; where leaders vary in the quality, the level of emotional support, and value of resources provided to their employees, this could determine the employees’ fate in the firm (Sparrowe & Liden, 1997). In applying social exchange theory to the present research, it is proposed that the variable LMX is of interest
because of its focus on the immediate employee/supervisor relationship and not on the organisation as a whole. Line managers form an essential part of TM and may contribute to its effectiveness, because they convey messages to their employees, continue to support talent and monitor their progress, and so potentially influence employees’ reaction to TM. The role played by line managers is of significance in the TM cycle as they nominate, rate, communicate with and develop talent; thus it needs exploration. Employees who have been identified as talent are likely to show higher levels of LMX than non-talent, because talent are the preferred group and so their managers are likely to be supporting, coaching and developing them. Nonetheless, no study to date has empirically tested the influence of being identified as talent and LMX levels, leading to the first hypothesis:

**Hypothesis 6.1:** Employees who are identified as talent will report higher levels of LMX than employees who are not identified as talent.

**6.1.3.1.2 Perceived Talent Practices (PTP)**

Employees who are identified as talent are presumed to be employees with different potential and performance levels from the rest of the workforce and who, therefore, need to be managed differently. They are trained and exposed to practices that are beyond the comprehension of the rest of the workforce. In the TM literature, several practices have been associated, directly or indirectly, with talent; for example the CIPD (2006) list eighteen of these practices, such as, internal and external coaching, undertaking MBAs and attending courses externally both national and international. Stahl et al. (2007) identify leadership development as a priority for talent training and development. Malik and Singh (2014) have recently highlighted the difference between programmes offered to all employees and others that are offered exclusively to talent,
such as mentoring and stretch assignments. Similarly, Gelens et al. (2014) report such practices when explaining their research context. This is also the case with this thesis, where exclusive practices are described in connection with the findings from study one. Nonetheless, PTP received limited examination for their relationship and effect on talent and non-talent employees’ alike, with the exception of Sonnenberg et al. (2014), who tested if PTP is in association with psychological contract fulfilment. Accordingly it seems essential to include a variable that tests the association between being identified as talent and PTP; thus the second hypothesis is:

**Hypothesis 6.2:** Employees who are identified as talent will report higher levels of PTP than employees who are not identified as talent.

### 6.1.3.2 Social Cognitive Theory Related Outcomes

Social cognitive theory proposes that individuals self-rate themselves based on several sources of information (see section 3.5.2 for an explanation of this). Essentially, employees who are identified as talent may act accordingly and show higher levels of self-worth, because they have been differentiated from the rest of the workforce, and this could enhance their confidence. Two outcomes are tested in relation to social cognitive theory and has been conceptualised in management-related research the first, using the concept of *Occupational Self-Efficacy* (OSE) (Schyns & Collani 2002). The second outcome in this category is *Organisation-Based Self-Esteem* (OBSE). Both concepts relate to employees’ self-worth; the first stems from the role employees occupy at their organisation, the second from organisation-related factors, so both are grouped under social cognitive theory outcomes. These are further explained below.
6.1.3.2.1  Occupational Self-Efficacy (OSE)

Occupational self-efficacy was identified in Chapter Three. In short it refers to a person’s own belief of their capacity to perform efficiently in their job (Schyns & Collani 2002). Bandura (1982) provides examples of elements that result in and possibly increase individual’s self-efficacy levels such as mastery or verbal persuasion. In relation to TM, being identified as talent may indicate to employees that they are of higher value than non-talent. Consequently, this may enhance talent’s self-evaluation of their worth as oppose to that of non-talent, resulting in talent reporting higher levels of OSE than non-talent. Nevertheless, OSE in the domain of TM has not been tested and thus the third hypothesis is:

Hypothesis 6.3: Employees who are identified as talent will report higher levels of OSE than employees who are not identified as talent.

6.1.3.2.2  Organisation-Based Self-Esteem (OBSE)

The term organisation-based self-esteem refers to; “the degree to which organisational members believe that they can satisfy their needs by participating in roles within the context of an organisation” (Pierce et al., 1989, p.625). In other words, OBSE is linked to individuals’ self-worth stemming from organisational factors. Components that may influence self-worth could be signals from the environment or from colleagues that contribute to increasing the level of individuals’ OBSE. The essence of TM lies in a differentiated approach to managing a sub-group differently. Thus, employees’ identification as talent is more likely to send signals, which boost their feelings of self-worth because of belonging to the preferred group rather than that of non-talent. The inclusion of talent in talent pools could be a sign to individuals about their success and so strengthen their feelings of self-worth, whilst non-talent may view their exclusion as
failure. To summarise, OBSE levels may indeed be higher in talent versus levels among non-talent. Nonetheless, OBSE has not been tested before in the field of TM and so the fourth hypothesis proposes:

**Hypothesis 6.4:** Employees who are identified as talent will report higher levels of OBSE than employees who are not identified as talent.

### 6.1.3.3 Organisational Justice Related Outcomes

Procedural and distributive justice are the two components of organisational justice used in this research and were discussed in depth in Chapter Three, section 3.5.3. Overall, organisational justice refers to employees’ perceptions of organisational fairness, and thus having two groups of employees who are managed differently may result in different perceptions of justice. The notion of justice is important in management research because it may influence employees’ behaviours positively if they consider that the firm is behaving in a ‘just’ way, and the opposite may occur if they perceive the firm is mistreating them (injustice). The evaluation of the process behind the decision to include a minority of workers in talent pools while others are excluded is linked to procedural justice.

Recently Gelens et al. (2014), building on performance appraisal research, argued that distributive and procedural justice are linked to TM. This is because the unequal allocation of resources is part of managing talent in a way that is different from those who are non-talent, which is then linked to the notion of distributive justice. Gelens et al.’s (2014) findings reveal that individuals who were identified as talent showed higher levels of DJ than those who were not. Additionally Gelens et al. tested PJ as a buffer for the negative effects of low DJ on employee outcomes. Nonetheless, Gelens et al. focused on
the unequal allocation of resources when testing for mediated-moderation effect. Thus, procedural and distributive justices are explained below in relation to talent identification.

6.1.3.3.1 Distributive Justice (DJ)

The allocation of who gets what of firms’ resources, such as pay and promotion, is referred to as distributive justice (Colquitt et al., 2005). By definition, with TM, those identified as talent will receive more resources than those who are not. According to Adam’s equity theory (1960), this unnecessarily leads to perceptions of injustice if employee contributions are understood to vary at the same rate as the unequal distribution of resources. Indeed it would be seen as unfair if employee contributions varied and resource allocation did not. However, it perhaps more likely those employees who are identified as talent will perceive greater DJ than those who are not. This is because non-talent are unlikely to recognise that their contributions are substantially less than those of talent, as employee contributions are not always tangible or visible. Equally, it may be that unless talent identification is accurate, the contributions of talent and non-talent may not vary significantly. Talent may also perceive their identification as talent, and the greater resources subsequently received, as being fair, because of their greater self-investment made through previous education or skills development that led to their identification as talent. Therefore the study hypotheses the following:

**Hypothesis 6.5:** Employees who are identified as talent will report higher levels of DJ than employees who are not identified as talent.
6.1.3.3.2  Procedural Justice (PJ)

Knowing the reasons for some employees benefitting from certain resources and their outcomes is the essence of PJ (Colquitt et al., 2005). Being included in or excluded from talent pools may be perceived differently by employees based on what group they belong to. For instance, though most of the time organisations believe that they follow a discreet TM, be it in identification and what follows, in most cases information does leak to the rest of the workforce about TM (Dries & De Gieter, 2014). Consequently talent are perhaps aware of why things occur such as being treated differently, yet non-talent are more likely to form perceptions based on what information is available for them. Additionally, as discovered in study one, the identification of talent into talent pools may not always follow clear criteria. For example, within the banks studied, nationality, gender and personal connections were perceived as criteria for talent identification. Furthermore, there was scope for considerable subjectivity in the selection of talent by line managers, which offers the potential for bias to play a role. It is likely that these issues are felt most by employees who are not identified as talent and who might question the legitimacy of the talent identification process. Therefore this study proposes that those identified as talent will report greater PJ than those identified as non-talent:

**Hypothesis 6.6:** Employees who are identified as talent will report higher levels of PJ than employees who are not identified as talent.

6.1.3.4 Organisation Related Outcomes

Four outcomes are tested in relation to this category: affective commitment, intention to leave, extra-role behaviour ‘help’, and extra-role behaviour ‘voice’. These outcomes were discussed in Chapter Two, section 3.4.1 of this thesis. They are perceived
as important outcomes in management research, yet have received little attention in differentiated TM. The hypotheses relating to these outcomes are explained next.

6.1.3.4.1 Affective Commitment (AC)

Affective commitment is part of organisational commitment, which is defined as; “emotional attachment to, identification with, and involvement in the organisation” (Allen & Meyer, 1990, p.1). TM was earlier conceptualised as managing individuals differently following the HR architecture approach; it is suggested that those who are talent should be managed according to a commitment-based HR system (Collings & Mellahi, 2009). It is proposed that following such a system is likely to result in those who are identified as talent showing higher levels of commitment. Secondly, according to social exchange reasoning, employees may perceive their identification as talent as an acknowledgement from the firm of their value and so reciprocate accordingly, with higher levels of attachment to their firm, in contrast to non-talent who may reciprocate negatively and show lower levels of AC.

Indeed Björkman et al.’s (2013) research presented earlier (Chapter Two section 2.3.1) found that employees who perceived that they were identified as talent by their firm showed higher levels of commitment to build competencies than those who did not. Additionally Gelens et al. (2015) found that individuals who were identified by their firm as talent showed higher levels of affective commitment than non-talent. Thus, the significance of AC as an outcome has been highlighted and tested, nonetheless, as discussed earlier, these studies utilised two different sources of talent identification which
may have influenced the results, and so this thesis builds on earlier studies and hypothesises the following:

*Hypothesis 6.7: Employees who are identified as talent will report higher levels of AC than employees who are not identified as talent*

6.1.3.4.2 *Intention to Leave (ITL)*

Intention to leave refers to employees’ voluntarily turnover, that is turnover unrelated to being dismissed (Price, 2001; 1972). ITL is an important outcome for TM, because a fundamental part of TM is to identify and invest in talent and so, from this perspective, firms do not want to lose their investment. With regard to talent identification, employees who are identified as talent know that they are part of a valued talent pool in the firm and so may reciprocate positively by not leaving. In other words, theoretically, being part of the talent pool indicates the organisation’s appreciation and support for the individual, which sends positive signs from the firm to employees who are identified as talent (Cropanzano & Mitchell, 2005). However, it could also be that those identified as talent have more opportunities to leave and work elsewhere, thus being in a talent pool may make employees more likely to leave. Björkman et al. (2013) proposed and tested such notions and, indeed, found that those employees who were identified as talent were negatively associated with ITL; details of this study were presented in Chapter Two section, 2.3.1. However, given the importance and difficulty of retaining talent in the GCC context, it remains a relevant issue to study here. Thus the following hypothesis is proposed:
**Hypothesis 6.8:** Employees who are identified as talent will report lower levels of ITL than employees who are not identified as talent.

6.1.3.4.3 *Extra-Role Behaviour (ERB)*

Van Dyne and LePine (1998) reviewed and tested extra-role behaviour concepts; they distinguish this from in-role behaviour, whereby extra-role behaviour requires more than what is expected from employees in doing their job, whilst in-role behaviour merely meets the job’s role requirement. In other words, extra-role behaviour refers to individual’s discretionary behaviour that goes beyond the requirement of the job and takes two forms *voice* and *help* (Van Dyne & LePine, 1998).

Van Dyne and LePine identify help as behaviours that stress minor actions that are cooperative in nature and uncontroversial that helps in maintain harmony in the work place. Voice, on the other hand, is behaviour that stresses expressing opinions and constructively criticising the firm, along with providing recommendation for change even if others do not approve.

Collings and Mellahi (2009) suggest ERB as an outcome in their framework, which is outlined in Chapter Two of this thesis, section 2.2.5. However they present this more as a requirement of the kind of demands placed on talent, than as a necessary outcome of being identified as talent. However, one could draw on social cognitive theory to suggest that being identified as talent will enhance the confidence of employees to engage in ERB. This seems plausible, as to go beyond one’s in-role job requirements is likely to require significant self-confidence. However an alternative perspective could be that being identified as talent could lead to over confidence and arrogance, as suggested by the Crown Prince syndrome or the reverse self-fulfilling prophecy (Pfeffer 2001; Dries & Pepermans, 2008). In such cases talent may be less likely to engage in ERBs and would
act with more self-interested motives. However, in line with previous findings relating to the positive effects of being identified as talent, this study initially assumes the impact of talent identification on ERBs will be similarly positive. Thus the proposed hypotheses for ERBH and ERBV are as follow:

**Hypothesis 6.9:** Employees who are identified as talent will report higher levels of ERBH than employees who are not identified as talent.

**Hypothesis 6.10:** Employees who are identified as talent will report higher levels of ERBV than employees who are not identified as talent.

In summary, this study argues that employees who are identified as talent are more likely to report positive outcomes. Firstly, employees who are identified as talent are likely to show higher levels of social exchange related outcomes because talent receive support from their managers and benefit from more management practices than non-talent and therefore reciprocate positively. Secondly, talent are likely to show higher levels of social cognitive related outcomes than non-talent both OSE and OBSE, since talent identification indicates that they are ‘better’ than the rest of the workforce and this possibly increases their levels of confidence. Thirdly, being identified as talent improves employees’ perceptions of justice, both distributive and procedural, because this identification entails employees being treated differently. Finally, talent identification is likely to be positively linked to organisation-related outcomes; because talent are considered the more important group, they receive more attention than non-talent, and being labelled as such leads to higher affective commitment, less intention to leave and positive ERB.
6.2 Different Sources of Talent Identification, Different Effects

It is evident that multiple sources of talent identification exist, even within the same organisation. For example employees perceived to be talent by the firm (Björkman et al., 2013) or talent as identified by the firm (Gelens et al., 2014), (see section 6.1.2.1). It is only recently that these different sources have caught the interest of TM researchers and have thus received limited attention to date. Hence, this makes it difficult to postulate the different effects of talent identification on employee outcomes. Thus this section considers the three distinct sources of talent identification and explores their potential different effects: formally informed as talent (FIT), self-perceived as talent (SPT) and talent development programme- (TDP).

First, following social exchange theory (SE\(^x\)T), joining a talent pool is likely to indicate to individuals that they are valuable members of the firm and that the organisation is aware of their contribution. By contrast, exclusion from talent pools may indicate to individuals that they are of a lesser value to the firm (Malik & Singh, 2014). Having said this, out of the three sources of talent identification, the nature of FIT might make it the most closely linked to social exchange, with TDP to a lesser extent, but no links with SPT. Since, individuals who are FIT are the ones who go through a nomination process so they are the ones who are likely to get their status from the firm, as they have experienced both situations, being FIT, and before that not FIT. In addition, being part of a TDP indicates to individuals that the firm values them, but it differs from FIT because, for TDP individuals, they might attribute their identification to their own skills and so TDP might be linked to SE\(^x\)T yet to a lesser extent than FIT.

On the other hand, social cognitive theory (SCT) implies that individuals are affected by what they are told and thus act accordingly. If they receive messages that
indicate they are held in high value then they are likely to act as such and vice versa. In a similar way, SCT is perhaps associated with SPT, where individuals who perceive themselves as talent are likely to take pride in what they do, regardless of their identification as talent or not by the firm. Being SPT indicates that individuals have high levels of self-worth and are likely to be motivated to perform to a higher standard than that required by the firm. Furthermore, TDP might also be associated with SCT-related outcomes, since the nature of their identification occurs before joining the firm, which might be attributed to their self-value.

Finally, as far as organisational justice is concerned, DJ might affect all three sources, since DJ can be shaped by the unequal allocation of resources while the process of differentiated TM could perhaps influence perceptions of PJ. With FIT, employees are nominated to join or be excluded, yet the literature emphasises that identification in differentiated TM usually follows a discreet approach (Dries, 2013a). Additionally in TDP, identification occurs before joining the firm, which might suggests an unfair process to employees since identification perceived as depending on unclear criteria. For SPT, perceptions of unfairness might occur when employees perceive messages indicating that they are of higher value but receive less than the rest, or remain unidentified by the firm, yet SPT might be the least connected with justice related outcomes.

Thus, the different sources for talent identification may affect the four categories of outcomes differently, which is why the aim of study two part A is exploratory. Where part A first proposes that FIT is closely linked to social exchange outcomes because of the way identification is made and subsequent resource allocations. Secondly, part A also hypothesises that SPT will be closer to social cognitive related outcomes because of the
nature of self-evaluation of individual’s own self-worth than that of FIT. Finally, TDP is expected to have links to all these categories of outcomes. The first part of study two explores these propositions to ascertain whether the different sources of talent identification do indeed have different effects on employees’ attitudes.

6.3 Incongruence in Talent Identification

Incongruence occurs when individuals perceive themselves to be talent while the organisation does not, or vice versa (Sonnenberg et al., 2014). The authors argue that incongruence is important because if identification and employees’ perceptions are unaligned, this may result in ineffective TM. At the individual level, incongruence may influence employees’ perceptions of fairness. Drawing on equity theory, employees who perceive themselves as talent when they have not been identified as such by the organisation, may view their exclusion from talent pools as unjust. Furthermore, this may result in negative behaviours and attitudes from non-talent. On the other hand, and taking into consideration equity theory principles, individuals who are in the talent pool and perceive themselves as non-talent may feel guilty, and this may impact negatively on their outcomes.

Sonnenberg et al. (2014) found some support for the negative effects of incongruence with psychological contract fulfilment. However, the need for further investigation of the potential influence of incongruence between self- and organisational-ratings of talent on the effectiveness of TM remains, and can be addressed by examining a wider range of employee outcomes. This research also offers an assessment of additional incongruence between being identified as talent at the point of recruitment (i.e. TDP) and during employment (i.e FIT). Therefore this Thesis can be seen as an extension to the
work of Sonnenberg et al. (2014) with regard to examining the relationship between talent information incongruence and various outcomes. This leads to the following hypothesis:

**Hypothesis 6.11:** Incongruence between the different talent identification sources is likely to have a negative effect on all four categories of variables tested.

### Section Conclusions

Briefly, the general aim of the first part of study two is to examine employees’ reactions to differentiated TM and why they act as they do; this is followed by four sub-goals. The first is exploratory in nature, namely that the nature of the three sources of talent identification and how they differ from each other; this is tested using cross tabulation analysis. Next, using path analysis, the relationship between the different sources and outcomes is investigated. Thirdly, the notion of incongruence is examined and its importance as an influence on employee outcomes is assessed using analysis of variance. The final sub-goal of this chapter is to inform the second part of study two regarding the design of the analytical model that incorporates mediators and moderators.

### 6.4 Study Two – Methodology and Procedures

This section presents the context in which study two took place, the research design, the nature of the sample, measures used and assessment of these measures, it concludes with a brief summary of the analysis conducted on the results, followed by the findings related to the four aims stated above.

### 6.4.1 Context of Study Two

Data were gathered from employees who work in the banking sector in three of the Gulf Cooperation Council countries (GCC): the Kingdom of Saudi Arabia, the United
Arab Emirates and Kuwait. Table (6.1) shows the countries of the 13 banks where participants are employed. These banking organisations all implement differentiated TM programmes.

<table>
<thead>
<tr>
<th>Country</th>
<th>Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kingdom of Saudi Arabia</td>
<td>9</td>
</tr>
<tr>
<td>Kuwait</td>
<td>2</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13</td>
</tr>
</tbody>
</table>

### 6.4.2 Research Design

Data collection and analysis are based on quantitative methods, using a cross-sectional online survey. SPSS and Mplus are used to analyse the data collected. Details of procedures and analysis are presented later in this section.

#### 6.4.2.1 Study Two - Procedures

As explained in Chapter Five, study one identified a number of banks in the GCC area who use differentiated TM. First, the banks were contacted and their websites were explored to identify evidence of talent development programmes, along with the names given to such programmes. Doing so provided an opportunity to increase the sample and to add one bank from the UAE that had not been included in study one. After obtaining confirmation about these talent programmes’ names it was possible to design the online survey for study two.

The survey starts with a cover letter and a list of the thirteen banks; participants were targeted according to this list. Surveys were sent out between August 2013 and
February 2014 directly to employees who worked at these banks. Questions, emails and the cover letter were all in English, as explained earlier in Study one.

6.4.2.2 Sample Characteristics

375 participants completed the online questionnaire across the thirteen banks in three different countries. Surveys with missing data, where participants had started the survey but did not continue were excluded (a total of 94) and 77 participants who answered the first two sections of the survey and left the rest blank were also removed from the sample. Finally, surveys with insufficient effort to respond, in other words, individuals who did complete the measures in the survey but not as directed (a total of six) were excluded from the sample; thus 198 participants remained. The majority of the participants were nationals, male, held a bachelors degree, and had 0-2 years of experience. The sample characteristics are summarised in Table (6.2)

Table 6.2: Study two Sample Characteristics

<table>
<thead>
<tr>
<th>N: 198</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>37</td>
<td>19</td>
</tr>
<tr>
<td>Male</td>
<td>161</td>
<td>81</td>
</tr>
<tr>
<td>Level of Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total High School:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas</td>
<td>1</td>
<td>1.7</td>
</tr>
<tr>
<td>National</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Total Diploma</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas</td>
<td>None</td>
<td>2.9</td>
</tr>
<tr>
<td>National</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Total Bachelors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas</td>
<td>65</td>
<td>57.1</td>
</tr>
<tr>
<td>National</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Total Masters</td>
<td>66</td>
<td></td>
</tr>
</tbody>
</table>
## Chapter Six. Study Two Part A Procedures and Findings

<table>
<thead>
<tr>
<th></th>
<th>Overseas</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total PhD’s</td>
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<td>14</td>
</tr>
<tr>
<td>Tenure Years</td>
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<td>.57</td>
</tr>
<tr>
<td>Overall Experience Years</td>
<td>43</td>
<td>22</td>
</tr>
<tr>
<td>Age Groups</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Nationality</td>
<td>22</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Overseas</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas</td>
<td>1</td>
<td>None</td>
</tr>
<tr>
<td>National</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>0-2</th>
<th>3-5</th>
<th>5+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas</td>
<td>105</td>
<td>33</td>
<td>60</td>
</tr>
<tr>
<td>National</td>
<td>None</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>0-2</th>
<th>3-5</th>
<th>5+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas</td>
<td>43</td>
<td>31</td>
<td>124</td>
</tr>
<tr>
<td>National</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>20-24</th>
<th>25-28</th>
<th>29-34</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas</td>
<td>12</td>
<td>50</td>
<td>71</td>
</tr>
<tr>
<td>National</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas</td>
<td>30</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>National</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Non-nationals</th>
<th>Nationals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas</td>
<td>22</td>
<td>176</td>
</tr>
<tr>
<td>National</td>
<td></td>
<td>89</td>
</tr>
</tbody>
</table>
6.4.2.3 Study Two - Measures and Assessment

This section presents the variables used in this study and the results from the reliability and validity assessments. Some points must be highlighted before these items are explained. Firstly, four variables were excluded from the Confirmatory Factor Analysis (CFA) because they are dichotomous variables and the sample size is too small for any alternative analysis to be conducted: formally informed talent (FIT), self-perceived talent (SPT), talent development programme (TDP) and perceived talent practices (PTP). Second, the rest of the measures used in this study were tested for reliability and confirmatory factor analyses with few exceptions that will be mentioned when applicable. These tests were performed to ensure that the items report adequate reliability, fit indices and loaded to individual factors.

6.4.2.3.1 Talent Identification Sources

6.4.2.3.1.1 Self-Perceived Talent

This measure shows how individuals view themselves in the light of participants' self-rating of whether they were in an exclusive talent pool or not. SPT was operationalised as follow:

“In today’s organisations an “exclusive talent pool” of employees is often created across the company made up of individuals who have been identified as valuable, unique and difficult to replace. In other words, individuals who are seen by the organisation as high performers and/or having high potential, employees within exclusive talent pools who are perhaps provided with a fast-track career path making it easier for them to move quickly from a graduate level to the top levels of the organisation”.
Based on this definition, do you see yourself as one of the employees within the ‘exclusive talent pool’ in your bank?

Yes,
No,
Don’t know.

6.4.2.3.1.2 Formally Informed Talent

The aim was to test whether line managers or direct managers did or did not inform participants formally that they were talent, and so this measure was tested with the following question:

Have you been informed by your line manager that you are in the ‘exclusive talent pool’?

Yes,
No,
Don’t know.

6.4.2.3.1.3 Talent Development Programme

Banks were contacted to either confirm the name of their talent programme, or to find out the name they use. Some banks were reluctant to provide the exact names of these programmes, other were happy to do so. To ensure information regarding TM training programmes was obtained from all banks, an email was sent to participants to either confirm or provide the training programme name if it was not provided in study one or available online. As a result participants were asked the following question:

Q: Are you currently in, or have you been in, the following programme [Name of the appropriate talent development programme]:

Yes, currently
Yes, I have been
No
Other

6.4.2.3.1.4 Leader-Member Exchange

To measure LMX, Graen and Uhl Bien; (1995) scale was used. The scale has previously reported previously good validity. The scale ranges across a five point scale
from 1=rarely to 5=very often (in the case of the last question from ‘much worse than average’ to ‘much better than average’) and is shown below. The items reported a good internal reliability level of $\alpha=.88$. The fit indices presented in Table (6.3) indicate that the measure is a good fit with the data. Single CFAs were preformed and the measure used for LMX shows good data fit. Table (6.3) presents both the items used and the loading of each item within a single factor CFA, in which only the LMX items were included and in the larger full measurement model CFA.

Table 6.3: LMX Items and factor loadings

<table>
<thead>
<tr>
<th>Item</th>
<th>Single CFA</th>
<th>Full Measurement Model CFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you know where you stand with your leader … do you usually know how satisfied your leader is with what you do?</td>
<td>.59</td>
<td>.68</td>
</tr>
<tr>
<td>How well does your leader understand your job problems and needs?</td>
<td>.73</td>
<td>.71</td>
</tr>
<tr>
<td>How well does your leader recognise your potential?</td>
<td>.75</td>
<td>.79</td>
</tr>
<tr>
<td>Regardless of how much formal authority he/she has built into his/her position, what are the chances that your leader would use his/her power to help you solve a problem in your work?</td>
<td>.77</td>
<td>.70</td>
</tr>
<tr>
<td>Again, regardless of the amount of formal authority your leader has, what are the chances that he/she would “bail you out” at his/her own expense?</td>
<td>.64</td>
<td>.59</td>
</tr>
<tr>
<td>I have enough confidence in my leader that I would defend and justify his/her decision if he/she were not present to do so?</td>
<td>.80</td>
<td>.77</td>
</tr>
<tr>
<td>How would you characterise your working relationship with your leader?</td>
<td>.79</td>
<td>.82</td>
</tr>
</tbody>
</table>

6.4.2.3.1.5 Perceived Talent Management Practices Measures

The survey asked participants whether they had been offered one of eight types of opportunities; answers ranged from ‘yes’, ‘no’ to ‘don’t know’. The eight practices were generated from study one where participants were asked to provide example of practices that their bank or banks in general utilise; the question was addressed to managers.
Chapter Six. Study Two Part A procedures and Findings

regarding what they do in order to develop their talented employees. Practices such as mentoring, coaching and training were mentioned. Participants were asked to provide documents to support their answers about practices that were offered to these employees identified as talent. After collecting the participants’ results regarding what is offered to talented employees, these practices were compared to the ones available in the literature, such as the CIPD’s (2006) list, and then grouped as eight items. The items cited in the CIPD list and in study one of this thesis were similar to the ones mentioned in Gelens et al.’s (2014) research, practices such as coaching, mentoring and international courses.

Participants were given this list and were asked: Since you have joined the bank, have you been offered the following opportunities? Possible responses were: Yes, no, don’t know. Because the PTP items are dichotomous and the size of the data is relatively small, it was inappropriate to conduct a single CFA on these items. Nonetheless, PTP showed an acceptable Cronbach’s Alpha of .68. Items and frequencies are presented in Table (6.4) below:

Table 6.4: PTP Frequencies

<table>
<thead>
<tr>
<th>Perceived Practice</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have been given the opportunity to take on new challenges such as managing projects or chairing meetings etc.</td>
<td>25</td>
<td>12.6</td>
</tr>
<tr>
<td>I have been given the opportunity to attend conferences or courses at external institutions to develop myself.</td>
<td>34</td>
<td>17.2</td>
</tr>
<tr>
<td>I have been asked by my bank to identify my future career plans.</td>
<td>32</td>
<td>16.2</td>
</tr>
<tr>
<td>I have been asked by my bank to identify my aspirations and/or ways to achieve my goals.</td>
<td>28</td>
<td>14.1</td>
</tr>
<tr>
<td>I have been given the opportunity to be part of a high-potential development scheme and/or follow a fast-track career path at my bank.</td>
<td>32</td>
<td>16.2</td>
</tr>
<tr>
<td>I have been given the opportunity to receive coaching and/or mentoring.</td>
<td>16</td>
<td>8.1</td>
</tr>
<tr>
<td>I have been given the opportunity to take on an international secondment.</td>
<td>14</td>
<td>7.1</td>
</tr>
<tr>
<td>I have been given the opportunity to take courses in an international institution.</td>
<td>4</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>185</td>
<td>100</td>
</tr>
</tbody>
</table>
The table above shows that PTP ranged from internal and less expensive courses to more high-cost practices. The last two items in the table focus on the international aspect of training, where the organisation offers employees the opportunity to travel abroad, or where an international institute is invited to the bank to provide training. These two items in the list scored ‘yes’ with 7.2% and 2% participants respectively. This is understandable, because the more expensive the practice, the less likely it is that it would be offered to all employees. On the other hand, attending a conference externally (17.2%) or attending a talk about future career plans (16.2%) was offered to more participants. Having said that, conferences or courses could be in an external institute around the corner and this would be less costly than using an international provider or sending employees overseas.

Talks about future career plans can take place with both employees who have either already been identified as talent or those who are potential candidates for the talent pool. As such, as the literature and participants in study one highlighted these practices seem to be distributed, so that the more costly the practice, the more likely it is to be offered to a smaller group of employee talent. The eight items were computed as a sum to measure perceived talent management practices, with mean=3.47 and SD=2.05.

6.4.2.3.1.6 Occupational Self-Efficacy

Here Schyns and Collani’s (2002) scale was used. This includes four items with responses ranging from 1=strongly disagree to 5=strongly agree. These items showed an adequate level of fit with the data obtained with a Cronbach’s alpha of .75. Table (6.5) presents the fit indices, the items used and the single CFA loadings for each item, plus the loadings from the full measurement model CFA.
Chapter Six. Study Two Part A procedures and Findings

Table 6.5: OSE Items and factor loadings

<table>
<thead>
<tr>
<th>Item</th>
<th>Single CFA</th>
<th>Full Measurement Model CFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>If I am in trouble at my work, I can usually think of something to do.</td>
<td>.58</td>
<td>.64</td>
</tr>
<tr>
<td>Whatever comes my way in my job, I can usually handle it.</td>
<td>.71</td>
<td>.62</td>
</tr>
<tr>
<td>My past experiences in my job have prepared me well for my occupational future.</td>
<td>.65</td>
<td>.68</td>
</tr>
<tr>
<td>I meet the goals that I set for myself in my job.</td>
<td>.71</td>
<td>.71</td>
</tr>
</tbody>
</table>

6.4.2.3.1.7 Organisation-Based Self-Esteem

A five point Likert-type scale developed by Pierce et al. (1989) was used to measure for organisation-based self-esteem, the scale ranged from 1=strongly disagree to 5=strongly agree. The original measure was formed of ten items, but only three items were used in this research for OBSE. The items, CFA single factor loadings and full measurement model CFA are presented in Table (6.6). The measure showed good fit with results from both single and full measurement model CFA, loadings above .60. The items and data indices are presented in Table (6.6) with α= .89.

Table 6.6: OBSE Items and factor loadings

<table>
<thead>
<tr>
<th>Item</th>
<th>Single CFA</th>
<th>Full Measurement Model CFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>People around here have faith in me.</td>
<td>.84</td>
<td>.81</td>
</tr>
<tr>
<td>I am trusted around here.</td>
<td>.89</td>
<td>.86</td>
</tr>
<tr>
<td>I am helpful around here.</td>
<td>.83</td>
<td>.92</td>
</tr>
</tbody>
</table>

6.4.2.3.1.8 Organisational Justice (DJ and PJ)

Niehoff and Moorman (1993) developed a multi-item scale to examine organisational justice in different dimensions; distributive, procedural and interactional justice. Overall their scale reported adequate levels of reliability and validity. This thesis used the scale for distributive and procedural justice.
For procedural justice a good fit was reported for the four items used. Results for the data fit indices are presented in Table (6.7) with $\alpha=.79$. The single and the full measurement model CFA factor loadings show an acceptable level.

Table 6.7: PJ Items and factor loadings

<table>
<thead>
<tr>
<th>Item</th>
<th>Single CFA</th>
<th>Full Measurement Model CFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job decisions are made by the general manager in an unbiased manner.</td>
<td>.56</td>
<td>.56</td>
</tr>
<tr>
<td>My general manager makes sure that all employee concerns are heard before job decisions are made.</td>
<td>.74</td>
<td>.78</td>
</tr>
<tr>
<td>To make formal job decisions, my general manager collects accurate and complete information.</td>
<td>.78</td>
<td>.71</td>
</tr>
<tr>
<td>My general manager clarifies decisions and provides additional information when requested by employees</td>
<td>.75</td>
<td>.80</td>
</tr>
</tbody>
</table>

For Distributive Justice the scale showed low reliability $\alpha=.65$ and poor fit in the single CFA (see Table 6.8). Though attempts to increase the reliability levels for DJ were conducted by removing items, no improvements occurred. Nonetheless, DJ plays a critical role in the model and thus a decision was taken to continue using it in this study. Fit indices, alpha level and single plus full measurement model CFA loadings are reported in Table (6.8).

Table 6.8: DJ Items and factor loadings

<table>
<thead>
<tr>
<th>Item</th>
<th>Single CFA</th>
<th>Full Measurement Model CFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>My work schedule is fair.</td>
<td>.37</td>
<td>.57</td>
</tr>
<tr>
<td>I think that my level of pay is fair.</td>
<td>.74</td>
<td>.35</td>
</tr>
<tr>
<td>I consider my workload to be fair.</td>
<td>.68</td>
<td>.42</td>
</tr>
<tr>
<td>Overall, I feel that the level of training and development I receive here is fair.</td>
<td>.46</td>
<td>.68</td>
</tr>
</tbody>
</table>

6.4.2.3.1.9 Affective Commitment

This study tested for affective commitment (AC) using three items from Meyer and Allen’s (1997) scale. Meyer and Allen developed a three-dimensional scale for
normative, affective and continuous commitment; this study adopts only affective commitment. The measure reported acceptable levels of reliability with $\alpha = .76$. It was not possible to obtain fit indices for AC within the single measure CFA as the measure is made up of just three items. Nonetheless, single and full measurement model CFA factor loadings are presented in Table (6.9).

Table 6.9: AC Items and factor loadings

<table>
<thead>
<tr>
<th>Item</th>
<th>Single CFA</th>
<th>Full Measurement Model CFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not feel “emotionally attached” to this organisation.</td>
<td>.77</td>
<td>.43</td>
</tr>
<tr>
<td>This organisation has a great deal of personal meaning for me.</td>
<td>.55</td>
<td>.95</td>
</tr>
<tr>
<td>I do not feel a strong sense of belonging to my organisation.</td>
<td>.84</td>
<td>.65</td>
</tr>
</tbody>
</table>

6.4.2.3.1.10 Intention To Leave

Here a three-item scale developed by Price (1972) was used. The scale is short and suitable for this study. The reliability level was acceptable $\alpha = .79$ and factor loadings were above .60 in both single and full measurement model CFAs Table (6.10). No fit statistics could be provided by the single measure CFA as there were only three items. Items used and their assessments are presented below in Table (6.10).

Table 6.10: ITL Items and factor loadings

<table>
<thead>
<tr>
<th>Item</th>
<th>Single CFA</th>
<th>Full Measurement Model CFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the moment, I would like to stay with (the organisation) for as long as possible.</td>
<td>.62</td>
<td>.74</td>
</tr>
<tr>
<td>These days, I often feel like quitting.</td>
<td>.77</td>
<td>.72</td>
</tr>
<tr>
<td>If I could, I would quit today.</td>
<td>.85</td>
<td>.74</td>
</tr>
</tbody>
</table>

6.4.2.3.1.11 Extra-Role Behaviour

To measure organisational citizenship behaviour, Van Dyne and LePine, (1998) developed a two-dimensional scale that examines the extra-role behaviour of help and voice. By contrast to the other measures, ERB was a seven-point scale ranging from never
to always. Three items were chosen for ERBH, so it was not possible to produce fit statistics from the single measure CFAs; nonetheless, fine alpha levels of .86 and factor loadings above .60 are presented in Table (6.11) for the three items. The measures show good fit with the data.

Table 6.11 ERB 'Help' Items and factor loadings

<table>
<thead>
<tr>
<th>Item</th>
<th>Single CFA</th>
<th>Full Measurement Model CFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>I volunteer to do things for this work group.</td>
<td>.68</td>
<td>.76</td>
</tr>
<tr>
<td>I assist others in this group with their work for the benefit of the group.</td>
<td>.93</td>
<td>.86</td>
</tr>
<tr>
<td>I help others in this group with their work responsibilities.</td>
<td>.88</td>
<td>.85</td>
</tr>
</tbody>
</table>

The second dimension ERBV; this measure is formed of four items, which loaded nicely as shown in Table (6.12). High alpha of .91 and fit indices are presented in Table (6.12). Items used and assessment of the measure are presented below:

Table 6.12: ERB ‘Voice’ Items and factor loadings

<table>
<thead>
<tr>
<th>Item</th>
<th>Single CFA</th>
<th>Full Measurement Model CFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>I develop and make recommendations concerning issues that affect this work group.</td>
<td>.83</td>
<td>.94</td>
</tr>
<tr>
<td>I speak up and encourage others in this group to get involved in issues that affect the group.</td>
<td>.88</td>
<td>.84</td>
</tr>
<tr>
<td>I communicate my opinions about work issues to others in this group even if their opinions are different and others in the group disagree with them.</td>
<td>.83</td>
<td>.79</td>
</tr>
<tr>
<td>I speak up in this group with ideas for new projects or changes in procedures.</td>
<td>.86</td>
<td>.81</td>
</tr>
</tbody>
</table>

6.4.2.3.1.12 Control Variables

Several variables were used to act as control variables in the analysis. These were age, educational level, gender and nationality. These were measured to remove their effects from the assessments of the hypothesised relationships. These variables were
selected on the basis of the study one findings, as well as other literature on management in the region (Sidani & Al Ariss, 2014; Ali, 2011), which suggested that they may play a role in talent identification and thus could contaminate the results if not examined further.

**Age**

Participants were asked to specify their age by choosing one of the eight categories, or a ninth item where they could choose not to state their age. Categories are: 16-19, 20-24, 25-28, 29-34, 35-44, 45-54, 55-64, 65 and over, and rather not say.

**Gender**

In the survey participants were asked to state their gender by selecting one of the following three categories: male, female, or rather not say. This was coded as ‘1’ for female and ‘0’ for male and other.

**Educational Level**

Though a number of educational levels were available to choose from, modifications needed to take place. For example, in the GCC region no A-levels or GCSEs are available and using these terms would confuse participants. Additionally, in study one participants indicated that talent identification in their bank not only relates to educational institute type, but also to whether they got their degree from a national or international institute, since it is suggested that this influences their language skills and mindsets. These items were then computed and grouped together to show the highest level of education.
Q8.4: Please select all the qualifications that apply to you from the following list:

1- High School Certificate from national institution
2- High School Certificate from overseas
3- Diploma from national institution
4- Diploma from overseas
5- Bachelors from national institution
6- Bachelors from overseas
7- Masters from national institution
8- Masters from overseas
9- Thesis from national institution
10- Thesis from overseas
11- Rather not to say
12- Other type of qualification

**Nationality**

Participants were asked to indicate their country of nationality. Categories were: The Kingdom of Saudi Arabia, United Arab Emirates, Kuwait, Qatar, The Kingdom of Bahrain, The Sultanate of Oman, ‘rather not say’, or ‘other’. Coding was ‘1’ for all six nationalities of the GCC and ‘0’ for the rest.

6.4.2.3.2  **Confirmatory Factor Analysis and Results**

After presenting the items used in the analysis along with their measurements and assessments, this section outlines the fit indices along with, Cronbach’s alpha, versus the full measurement model fit indices. Table (6.13) presents the fit indices and Cronbach’s alpha.
Table 6.13: Fit indices and Cronbach’s alpha

<table>
<thead>
<tr>
<th>Model &amp; Structure</th>
<th>Chi-square</th>
<th>DF</th>
<th>RMSEA</th>
<th>CFI</th>
<th>TLI</th>
<th>RMR</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed talent (FIT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-Perceived Talent (SPT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Talent Development Programme (TDP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader-Member Exchange (LMX)</td>
<td>43.067</td>
<td>14</td>
<td>.107</td>
<td>.93</td>
<td>.93</td>
<td>.04</td>
<td>.88</td>
</tr>
<tr>
<td>Perceived Talent Practices (PTP)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Occupational Self-Efficacy (OSE)</td>
<td>3.216</td>
<td>2.0</td>
<td>.06</td>
<td>.99</td>
<td>.98</td>
<td>.02</td>
<td>.75</td>
</tr>
<tr>
<td>Organisation-Based Self-Esteem (OBSE)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Procedural Justice (PJ)</td>
<td>1.57</td>
<td>2.0</td>
<td>0.0</td>
<td>1.0</td>
<td>1.01</td>
<td>0.01</td>
<td>-</td>
</tr>
<tr>
<td>Distributive Justice (DJ)</td>
<td>18.835</td>
<td>2.0</td>
<td>.21</td>
<td>.86</td>
<td>.57</td>
<td>.07</td>
<td>.65</td>
</tr>
<tr>
<td>Affective Commitment (AC)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intention To Leave (ITL)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Extra-Role Behaviour – Help (ERBH)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Extra-Role Behaviour – Voice (ERBV)</td>
<td>12.936</td>
<td>2.0</td>
<td>.18</td>
<td>.97</td>
<td>.90</td>
<td>.04</td>
<td>.91</td>
</tr>
</tbody>
</table>

Note: No fit indices are provided for three items measures as CFA models are saturated

Further CFAs were conducted in which multiple measures were included together. This was done to further examine the validity of the measures. In total five different models were examined along with simpler alternatives, as shown in table 6.14. The first four models were tested comparing a SET model (LMX, PTP, DJ) with a SET one-factor model, followed by a SCT model (OBSE, OSE) compared with the SCT one-factor model, then an OJ model (DJ, PJ) with an OJ one-factor model and then an EE model (AC, ITL, ERBH, ERBV) with an EE one-factor model. Results for the first four models show that each proposed model fits the data better than the one factor alternative. This can be seen by the better fit statistics and also the significant Chi-square difference tests. For the SET and OJ model TLI and CFI were lower than recommended thresholds, however other fit statistics show good fit. From this analysis we can conclude that the
measures forming each component of the theoretical model demonstrate adequate construct and discriminant validity.

Lastly a fifth model incorporating all the variables in the theoretical model was tested and compared with five simpler alternative models. These models were a one factor model (5a), a model in which all SET variables were limited to one factor (5b), a model in which all SCT variables were limited to one factor (5c), a model in which all OJ variables were limited to one factor (5d), and a model in which all variables of EE were limited to one factor (5e). Broadly results indicate that the theoretical model fits better than the alternative models both in terms of fit statistics and chi-square difference tests, thereby confirming a construct validity of the measurement model. An exception is the organisational justice model (OJ), which fits as well as the theoretical model. This suggests that DJ and PJ are not necessarily distinct measures within the larger theoretical model. We should therefore be aware of this overlap as a limitation when interpreting the findings. However, based on the findings from model three and also the ample literature demonstrating conceptual distinctions between DJ and PJ this research continues to treat them as two distinct concepts.
Table 6.14: fit indices for multi-measure models

<table>
<thead>
<tr>
<th>Model Description</th>
<th>$\chi^2$</th>
<th>DF</th>
<th>$\chi^2$ difference test</th>
<th>RMSEA</th>
<th>CFI</th>
<th>TLI</th>
<th>sRMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- SET Model (WLSMV)</td>
<td>240.841</td>
<td>149</td>
<td>$\chi^2=167.881$</td>
<td>.058</td>
<td>.876</td>
<td>.858</td>
<td>-</td>
</tr>
<tr>
<td>1a- SET Model- One factor</td>
<td>408.722</td>
<td>152</td>
<td>$\chi^2=167.881$</td>
<td>.097</td>
<td>.655</td>
<td>.611</td>
<td>-</td>
</tr>
<tr>
<td>2- SCT Model</td>
<td>22.319</td>
<td>13</td>
<td>$\chi^2=79.485$</td>
<td>.064</td>
<td>.969</td>
<td>.951</td>
<td>.034</td>
</tr>
<tr>
<td>SCT Model One-factor</td>
<td>101.804</td>
<td>14</td>
<td>$\chi^2=79.485$</td>
<td>.097</td>
<td>.611</td>
<td>.568</td>
<td>.129</td>
</tr>
<tr>
<td>3- OJ Model</td>
<td>47.670</td>
<td>19</td>
<td>$\chi^2=11.167$</td>
<td>.089</td>
<td>.918</td>
<td>.879</td>
<td>.055</td>
</tr>
<tr>
<td>OJ Model One-factor</td>
<td>58.837</td>
<td>20</td>
<td>$\chi^2=11.167$</td>
<td>.101</td>
<td>.889</td>
<td>.844</td>
<td>.064</td>
</tr>
<tr>
<td>4- EE Model</td>
<td>114.169</td>
<td>59</td>
<td>$\chi^2=395.891$</td>
<td>.073</td>
<td>.942</td>
<td>.924</td>
<td>.062</td>
</tr>
<tr>
<td>EE Model One-factor</td>
<td>510.060</td>
<td>65</td>
<td>$\chi^2=395.891$</td>
<td>.198</td>
<td>.535</td>
<td>.442</td>
<td>.164</td>
</tr>
<tr>
<td>5- Full Measurement Mod (WLSMV)</td>
<td>1014.241</td>
<td>881</td>
<td>-</td>
<td>0.029</td>
<td>.914</td>
<td>.904</td>
<td>-</td>
</tr>
<tr>
<td>5a- One Factor all measur (WLSMV)</td>
<td>1804.084</td>
<td>945</td>
<td>$\chi^2=789.843$</td>
<td>.072</td>
<td>.449</td>
<td>.442</td>
<td>-</td>
</tr>
<tr>
<td>5b- FMM- SET One-factor (WLSMV)</td>
<td>1176.879</td>
<td>902</td>
<td>$\chi^2=162.638$</td>
<td>.042</td>
<td>.823</td>
<td>.806</td>
<td>-</td>
</tr>
<tr>
<td>5c- FMM- SCT One-factor (WLSMV)</td>
<td>1055.224</td>
<td>892</td>
<td>$\chi^2=40.983$</td>
<td>.032</td>
<td>.895</td>
<td>.884</td>
<td>-</td>
</tr>
<tr>
<td>5d- FMM- OJ One-factor (WLSMV)</td>
<td>1025.649</td>
<td>892</td>
<td>$\chi^2=11.408$</td>
<td>.029</td>
<td>.914</td>
<td>.905</td>
<td>-</td>
</tr>
<tr>
<td>5e- FMM- EE One-factor (WLSMV)</td>
<td>1374.851</td>
<td>911</td>
<td>$\chi^2=360.61$</td>
<td>.054</td>
<td>.702</td>
<td>.676</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: SRMR not available for WLSMV

6.4.2.4 Study Two Analysis

To achieve the four aims discussed for this part of the study, several analyses were conducted. First cross tabulation analysis via SPSS, IBM version 22 was used to test whether the FIT, SPT and TDP, were related, but also distinct. Second, several path analyses via Mplus Version 7.2 (Muthen & Muthen, 2012-2014) were examined to test the relationship between the three different talent identification resources and employee
outcomes. Finally, univariate ANOVA in SPSS was used to test the incongruence hypothesis.

6.5 Analysis and Findings Part A

Data were collected from employees who worked in banks that implement differentiated TM via online surveys, which were sent to employees directly. A total of 375 responses were obtained and 198 sufficient responses were used for the analysis. As previously discussed in the measurement assessment section, the analysis illustrated that the measurement model fits nicely with the data, and no serious issues were found with data quality.

This section first presents the table for descriptive and zero-order correlations, followed by the findings for each of the four stated aims which are listed below as a reminder:

1- To explore the three sources of talent identification.
2- To investigate the associations they may have with several employee outcomes.
3- To test whether incongruence is important for employee outcomes.
4- To inform a model for talent identification sources and employee outcomes.

6.5.1 Bivariate Analysis

Basic relationships between the independent variable and the rest of the variables were tested using composites. Descriptive and zero-order correlations for the main study variables are presented in Table (6.15). Observations from the table below and the three sources of talent identification can be summed up in three points as follows: first, FIT correlates with social exchange variables, PJ, and three out of four organisational outcomes (with AC, negatively with ITL and positively with ERBV) whilst it correlates
with no social cognitive outcomes. Second, SPT is significantly correlated with PTP, OBSE and OSE, plus positively correlated with all four organisational outcomes and negatively with ITL, but not with organisational justice outcomes. Finally TDP is correlated with PTP and organisational justice outcomes. These findings are presented below:
## Table 6.15: Descriptive statistics and zero-order correlations

|   | Mean | SD  | 1    | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   | 11   | 12   | 13   | 14   | 15   | 16   | 17   | 18   | 19   | 20   | 21   | 22   |
|---|------|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1 |      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 2 |      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 3 |      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 4 |      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 5 |      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 6 |      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 7 |      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 8 |      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 9 |      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 10|      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 11|      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 12|      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 13|      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 14|      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 15|      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 16|      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 17|      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |

Chapter Six: Study Two Part A Procedures & Findings
The next table (Table 6.16) explores the distribution of talent identification across the sample and indicates, firstly, that there are far fewer females than males with all types of talent identification. Second, most of the participants in the sample were educated up to bachelors or masters level, suggesting an educated sample. Thirdly, the most common age group is from 25 to 34 indicating a rather young sample. Finally, there are more nationals who fall into any of the talent identification categories than there are non-nationals. Hence, talent are likely to be young, male, educated nationals.

For FIT, talent characteristics are male holders of undergraduate or masters degrees between 29-34 years of age. While SPT participants show the same age group and are dominated by the same gender and education levels, two observations can be drawn from the table: First there are more females in SPT than the other two sources (FIT 4.6%; TDP 5.6%; SPT 12.1%).

Secondly, in the SPT category there is a big invariance in degree holders: FIT individuals with a bachelor’s degree comprise 22.8% of the sample and with a masters degree 15.7% for TDP these figures are 26.8 and 15.2 respectively. Whilst for SPT they are 34.3 and 24.8. so not only SPT individuals have the largest percentage of females this group also includes the largest percentage of degree holders. Finally as far as TDP is concerned, it follows similar pattern as the FIT individuals, predominantly educated national males; nonetheless, these are the youngest group, with the majority of participants age group 25-28.
Table 6.16: Crosstabs assessment of the relationships between sources of talent identification and sample characteristics

<table>
<thead>
<tr>
<th>N: 198</th>
<th>Formally Informed Talent (FIT)</th>
<th>Formally Informed Talent (FIT)</th>
<th>Self -Perceived Talent (SPT)</th>
<th>Self -Perceived Talent (SPT)</th>
<th>Talent Development Programme (TDP)</th>
<th>Talent Development Programme (TDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>1.0</td>
<td>.51</td>
<td>1.0</td>
<td>.51</td>
<td>.51</td>
<td>1.0</td>
</tr>
<tr>
<td>Gender</td>
<td>Female</td>
<td>Male</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.6</td>
<td>42.9</td>
<td>12.1</td>
<td>6.6</td>
<td>5.6</td>
<td>12.63</td>
</tr>
<tr>
<td>Level of Education</td>
<td>High School:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>Bachelors</td>
<td>Masters</td>
<td>PhD's</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.0</td>
<td>22.8</td>
<td>15.7</td>
<td>15.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.51</td>
<td>1.52</td>
<td>24.8</td>
<td>9.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.52</td>
<td>34.3</td>
<td>15.7</td>
<td>15.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age Groups</td>
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<td>4.6</td>
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<tr>
<td></td>
<td>29-34</td>
<td>3.5</td>
<td>6.6</td>
<td>2.5</td>
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<td></td>
<td>35-44</td>
<td>1.52</td>
<td>3.5</td>
<td>6.6</td>
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<td>2.5</td>
<td>6.6</td>
<td>3.5</td>
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<td>55-64</td>
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<td>Non-nationals</td>
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<td>4.6</td>
<td>3.0</td>
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<tr>
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<td>40.1</td>
<td>48</td>
<td>62.6</td>
<td>26.3</td>
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<td></td>
</tr>
</tbody>
</table>

Note: 0 when the answer is no & 1 when the answer is yes

The following Table (6.17), illustrates that while the majority of participants perceived themselves as talent (71%), only half of the participants were or currently part of a TDP 51%. Moreover, less than half of participants in the sample had been formally informed that he/she was talent. Thus, perceiving oneself as talent it does not mean that they are perceived as such by the firm. Plus being part of a TDP might not be followed with formal identification of talent since those individuals were already identified as talent prior to joining they may not be subsequently formally informed that they are talent once in the organisation.
Table 6.17: Frequencies of FIT, SPT, TDP from the total sample

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>%Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed Talent (FIT)</td>
<td>94</td>
<td>104</td>
<td>48</td>
</tr>
<tr>
<td>Self-Perceived Talent (SPT)</td>
<td>140</td>
<td>58</td>
<td>71</td>
</tr>
<tr>
<td>Talent Development Programme (TDP)</td>
<td>99</td>
<td>97</td>
<td>51</td>
</tr>
</tbody>
</table>

6.5.2 The Relationship between the Different Sources of Talent Identification

To test for convergence validity and to indicate whether these sources are related to one another, crosstab analysis was conducted in SPSS, the results of which are discussed next.

6.5.2.1 The Relationship between Formally Informed Talent and Self-Perceived Talent

This analysis tests the relationship between two talent identification sources: FIT and SPT. The results show 85% of employees who were not SPT were also not FIT. 61% of employees who were SPT, were also FIT; 40% of the employees who were SPT, were not FIT; while 16% of employees who were FIT, were not SPT. Table (6.18) below show the results in more detail. These findings indicate that the two sources of talent, whether their manager has formally informed employees that they are talent or whether they perceive themselves as talent, differed. Although over 50% of the participants who perceived themselves to be talent had been informed formally that they were, there are groups of employees who either did not perceive themselves as talent, and had not been informed that they were, or had been informed formally that they were talent but did not perceive themselves as such. Thus, while FIT and SPT identification sources are significantly related to each other with $\chi^2 (1, n=198) 33.59 p<.001$, they are conceptually distinct.
Table 6.18: Crosstab Assessment of the Relationship between FIT and SPT

<table>
<thead>
<tr>
<th>Formally Informed Talent (FIT)</th>
<th>Self-Perceived Talent (SPT)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>No</td>
<td>49</td>
</tr>
<tr>
<td>% Within SPT</td>
<td>84.5%</td>
</tr>
<tr>
<td>Yes</td>
<td>9</td>
</tr>
<tr>
<td>% Within SPT</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

6.5.2.2 Relationship between Formally Informed Talent and Talent Development Programme

Results from crosstab assessments show that 63% of employees who were not TDP were also not FIT; furthermore 58% of the employees who were TDP were FIT. Nonetheless, 43% of the employees who were TDP were not FIT and 37% of the employees who were not TDP were FIT (Table 6.19). Testing for Chi-Square shows a significant relationship between the two identification sources, FIT and TDP ($\chi^2 (1, n=198) = 8.22, p=.004$); however they are conceptually distinct.

Table 6.19: Crosstab Assessment of the Relationship between FIT and TDP

<table>
<thead>
<tr>
<th>Formally Informed Talent (FIF)</th>
<th>Talent Development Programme (TDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>No</td>
<td>61</td>
</tr>
<tr>
<td>% Within TDP</td>
<td>62.9%</td>
</tr>
<tr>
<td>Yes</td>
<td>36</td>
</tr>
<tr>
<td>% Within TDP</td>
<td>37.1%</td>
</tr>
</tbody>
</table>

6.5.2.3 Relationship between Self-Perceived Talent and Talent Development Programme

This part of the findings assesses the relationship between employees who perceived themselves as talent and those who were in talent development programmes. Results of this crosstab analysis illustrate that 37% of the employees who were not TDP did not perceive themselves as talent. In addition, 78% of the employees who were TDP
did perceive themselves as talent. On the other hand, 63% of the employees who were not TDP were SPT, alongside the 22% of the employees who were part of TDP who were not SPT. As such the last two groups show that the two sources of talent identification do differ and while the bank enrolls employees who they identify as talent onto their TDP, these employees do not necessarily perceive themselves as talent. Chi-Square analysis was conducted to examine whether SPT and TDP sources were associated, and a significant relationship emerged ($\chi^2 (1, n=198) = 5.21, p = .022$). However the analysis suggests that they are also conceptually distinct.

Table 6.20: Crosstab assessment of the relationship between TDP and SPT

<table>
<thead>
<tr>
<th>Self-Perceived Talent (SPT)</th>
<th>Talent Development Programme (TDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Count % Within TDP</td>
<td>36</td>
</tr>
<tr>
<td>% Within TDP</td>
<td>37.1%</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Count % Within TDP</td>
<td>61</td>
</tr>
<tr>
<td>% Within TDP</td>
<td>62.9%</td>
</tr>
</tbody>
</table>

- **Part One - Conclusions**

A Cross-tabulation analysis was conducted using SPSS, to answer the question of whether the three sources of talent identification are related, and, if they are, how. It is important to undertake this analysis before moving forward to test the analytical model. First, it helps to establish convergence validity, and second to check whether the three talent identification sources, FIT, SPT and TDP are different from one another (discriminant validity).

Results of the analysis show first that the three sources are all significantly related. However, in each case there were sizeable examples of incongruence, where the talent sources differed. To confirm these findings, a final analysis was conducted where all three concepts were included in a cross tabulation (see Table 6.21 below). Findings show
that in all eight combinations none had zero as an outcome. This further demonstrates that the three identification sources are distinct from each other and merit comparative testing.

The next section examines these three sources independently with employee outcomes.

Table 6.21: Crosstab Assessment of the Relationship between FIT, SPT and TDP

<table>
<thead>
<tr>
<th>TDP</th>
<th>FIT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NO</td>
<td>Yes</td>
</tr>
<tr>
<td>NO</td>
<td>Count</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>% Within SPT</td>
<td>88.9%</td>
</tr>
<tr>
<td></td>
<td>% Within FIT</td>
<td>52.5%</td>
</tr>
<tr>
<td></td>
<td>% Of Total</td>
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</tr>
<tr>
<td>Yes</td>
<td>Count</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>% Within SPT</td>
<td>47.5%</td>
</tr>
<tr>
<td></td>
<td>% Within FIT</td>
<td>47.5%</td>
</tr>
<tr>
<td></td>
<td>% Of Total</td>
<td>29.9%</td>
</tr>
<tr>
<td>NO</td>
<td>Count</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>% Within SPT</td>
<td>77.3%</td>
</tr>
<tr>
<td></td>
<td>% Within FIT</td>
<td>40.5%</td>
</tr>
<tr>
<td></td>
<td>% Of Total</td>
<td>17.2%</td>
</tr>
<tr>
<td>Yes</td>
<td>Count</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>% Within SPT</td>
<td>32.5%</td>
</tr>
<tr>
<td></td>
<td>% Within FIT</td>
<td>59.5%</td>
</tr>
<tr>
<td></td>
<td>% Of Total</td>
<td>25.3%</td>
</tr>
</tbody>
</table>

6.5.3 Associations between Talent Identification Sources and Employee Outcomes

The following path analyses were preformed using Mplus to examine the relationship between talent identification sources and the four categories of outcomes. Findings are reported next along with tables; significant relationships are all positive unless otherwise stated. Because all path models are saturated no fit indices are reported.

6.5.3.1 Formally Informed Talent and Employee Outcomes

Two sets of analyses were performed, one with control variables and one without, to examine the relationship between FIT and all the variables, before moving forward with the full analytical model. The outcome variables include: leader member-exchange,
perceived talent practices, occupational self-efficacy, organisation-based self-esteem, procedural justice and distributive justice, affective commitment, intention to leave, and extra-role behaviour ‘help’ and ‘voice’. Control variables are age, gender, level of education and nationality.

The results presented in Table (6.22) show that FIT is significantly and positively related to perceived talent practices ($p \leq .001$); leader member-exchange ($p = .01$); organisation-based self-esteem ($p = .05$); procedural justice ($p = .01$); affective commitment ($p = .00$); and extra-role behaviour ‘voice’ ($p = .03$). It is also significantly and negatively related to intention to leave ($p = .00$). Nonetheless, FIT is not associated with extra-role behaviour ‘help’ or distributive justice. Results with and without the control variables seem to be similar, as illustrated in Table (6.22), except for OBSE, where it is significant with the control variables, and nearly significant without the control variables ($p = .06$). The relationship with OSE, on the other hand, is insignificant when control variables were included in the model, while it is marginally significant when control variables were not included in the model ($p = .07$).

In short, FIT is positively associated with AC, ERBV, PJ, OBSE and LMX, while it is negatively associated with ITL. Hence, the results indicate that employees who are FIT are more likely to have positive outcomes than employees who are not FIT.
<table>
<thead>
<tr>
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<th>Gender</th>
<th>Education</th>
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<th>LMX</th>
<th>LMX</th>
<th>PTP</th>
<th>PTP</th>
<th>OSE</th>
<th>OSE</th>
<th>OBSE</th>
<th>OBSE</th>
<th>PJ</th>
<th>DJ</th>
<th>AC</th>
<th>ITL</th>
<th>ERBH</th>
<th>ERBV</th>
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<td>.05</td>
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<td>.03</td>
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<td>.02</td>
<td>.09</td>
<td>.04</td>
</tr>
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<td>ERBH</td>
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<td>.05</td>
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<td>.13</td>
<td>.28</td>
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</tr>
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<td>.18</td>
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<td>**</td>
<td>*</td>
<td>1.6</td>
<td>1.9</td>
<td>.21</td>
</tr>
</tbody>
</table>

**Table 6.22:** The relationship between FIT and employee outcomes with and without the control variables.

Chapter Six: Study Two Part A Procedures & Findings
6.5.3.2 Self-Perceived Talent and Employee Outcomes

The second analysis tests the relationship between SPT and employee outcomes with and without the control variables (Table, 6.23). SPT was significantly associated with all four outcomes with and without the control variables: AC ($p = .001$); ITL (negatively; $p = .016$); ERBH ($p = .009$); ERBV ($p = .001$). No significant relationship was found between SPT and PJ with or without the control variables. OBSE and OSE were both significantly associated with SPT with the $P$-value estimated as $p = .00$ $p = .04$ respectively. Finally, no significant relationships were found with either LMX or DJ in either analysis, when the control variables were left in and when the control variables were taken out of the model. The findings suggest that employees who have the perception that they are talent have positive outcomes and are less likely to leave the organisation than employees who do not perceive themselves as talent.
Table 6.23: The relationship between SPT and employee outcomes with and without control variables

<table>
<thead>
<tr>
<th>Age</th>
<th>Gender</th>
<th>Expatriate</th>
<th>Education</th>
<th>SPT</th>
</tr>
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<tbody>
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</tr>
</tbody>
</table>

**Notes:**
- P ≤ 0.05
- *P ≤ 0.01
- **P ≤ 0.001
- ***P ≤ 0.0001

**Legend:**
- **SPT:** Study Two Part A Procedures
- **Employee Outcomes:** LMX, LMX, PTP, OSE, OBSE, PJ, DJ, AC, ITL, ERBV, ERBV

**References:**
- Table 6.23: The relationship between SPT and employee outcomes with and without control variables

**Chapter Six: Study Two Part A Procedures & Findings**
6.5.3.3 Talent Development Programme (TDP) and Employee Outcomes

The final talent identification source which this study tested for is TDP. TDP is significantly only associated with organisational justice variables with and without control variables (Table 6.24). Both PJ ($p=.04$) and DJ ($p=.01$) were significantly and positively associated with TDP, while no other variable had significant association with TDP.
Table 6.2: The relationship between TDP and employee outcomes with and without the control variable

<table>
<thead>
<tr>
<th>Age</th>
<th>Gender</th>
<th>Education</th>
<th>Non-nationals</th>
<th>TDP</th>
<th>R²</th>
</tr>
</thead>
<tbody>
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<td>10'</td>
<td>00'</td>
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<td>00'</td>
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<td>10'</td>
<td>00'</td>
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</tr>
<tr>
<td>00'</td>
<td>10'</td>
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<td>00'</td>
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</tr>
</tbody>
</table>

Note: +P ≤ 0.05 / **P ≤ 0.01 / ***P ≤ 0.001

Employee Outcomes
6.5.3.4 Comparing the Associations between Talent Identification Sources and Employee Outcomes

The final step in the analysis was to have all talent identification sources as independent variables, with the other variables as outcomes to directly compare the importance of each source of talent identification in relation to each outcome. This analysis was conducted twice, once with the control variables and the second time without. No major differences were found, whether the control variables were added or not (Table 6.25). FIT is significantly associated with AC \((p=0.00)\) and negatively related to ITL \((p=0.02)\), while there is no significant association with ERBV and ERBH. FIT was positively related to PJ \((p=0.05)\) and LMX \((p=0.02)\).

SPT, on the other hand, is positively linked with ERBV and ERBH, with \(p=0.01\) and \(p=0.11\) respectively. There are no associations with AC, ITL and PJ. SPT is positively related to OBSE \((p=0.00)\); the rest presented no significant associations with SPT. Lastly, TDP reports a significant positive relationship with ITL \((p=0.05)\). However when control variables were taken out of the model, this relationship disappears and two other relationships occur; first, TDP and PJ have a positive relationship \((p=0.02)\), and second TDP has a negative relationship with OBSE \((p=0.02)\). Finally, DJ is positively connected to TDP both with \((p=0.02)\) and without control variables \((p=0.03)\).

The results illustrate first that the control variables have little or no influence on the relationships. Second, FIT and SPT show stronger associations with more variables than TDP, whether in this model, or in the three models presented earlier.
Table 6.2: Talent sources (FIT, SPT, TDP) and employee outcomes with and without the control variables

<table>
<thead>
<tr>
<th></th>
<th>FIT</th>
<th>SPT</th>
<th>TDP</th>
<th>LMX</th>
<th>LMX</th>
<th>ITL</th>
<th>ITL</th>
<th>ERBH</th>
<th>ERBH</th>
<th>ERBV</th>
<th>ERBV</th>
<th>AC</th>
<th>AC</th>
<th>DJ</th>
<th>DJ</th>
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<td>A</td>
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<td>.05</td>
<td>.05</td>
<td>.06</td>
<td>.07</td>
<td>.05</td>
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<td>.06</td>
<td>.07</td>
<td>.05</td>
<td>.02</td>
<td>.05</td>
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<td>.08</td>
<td>.09</td>
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<td>.11</td>
<td>.12</td>
<td>.13</td>
</tr>
<tr>
<td>R2</td>
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<td>.05</td>
<td>.07</td>
<td>.05</td>
<td>.05</td>
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<td>.07</td>
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<td>.08</td>
<td>.09</td>
<td>.10</td>
<td>.11</td>
</tr>
</tbody>
</table>
**Part Two- Conclusions**

The second question in this section aims to establish the links, if any, between the different talent identification sources independently (FIT, SPT, TDP) and employee outcomes and then as an ‘all in model’, where all three talent sources were included and tested with employee outcomes. Ten hypotheses were proposed for talent identification associations with the four listed outcomes categories. Each hypothesis is broken down into three sets for each talent identification source, where a subscript denotes the specific set so that ‘a’ refers to FIT, ‘b’ to SPT, and ‘c’ to TDP. The hypotheses are explained and presented below.

**Social Exchange Theory Outcomes**

Two hypotheses were proposed for social exchange related outcomes, one for LMX and the second for PTP.

**Hypothesis 6.1:** Employees who are identified as talent will report higher levels of LMX than employees who are not identified as talent.

Support for hypothesis 6.1\(_a\) was found, whilst rejected for 6.1\(_b\) and 6.1\(_c\). As proposed in the discussion of the different effects of talent identification sources, FIT is mostly linked with social exchange outcomes.

**Hypothesis 6.2:** Employees who are identified as talent will report higher levels of PTP than employees who are not identified as talent.

PTP was linked to all talent identification sources so hypotheses 6.2\(_a\), 6.2\(_b\) and 6.2\(_c\) are supported.
**Social Cognitive Theory Outcomes**

Two hypotheses were proposed for social cognitive related outcomes, one for OSE and the second for OBSE.

**Hypothesis 6.3:** Employees who are identified as talent will report higher levels of OSE than employees who are not identified as talent.

No support was found for hypothesis 6.3a in both models when tested separately or in the final combined model, thus hypothesis 6.3a is rejected. There was support for hypothesis 6.3b when tested separately, and marginal significance was found in the final model, thus hypothesis 6.3b is supported. Finally hypothesis 6.3c found no support when tested separately, but in the final model, TDP was positively associated with OSE, thus hypothesis 6.3c is accepted.

**Hypothesis 6.4:** Employees who are identified as talent will report higher levels of OBSE than employees who are not identified as talent.

Support for hypothesis 6:4a was found when tested independently; nonetheless, this association disappeared when tested in the final model. However hypothesis 6:4a is supported, based on the individual model. Second, strong support was found for hypothesis 6:4b in both models and so hypothesis 6:4b is supported. Next, hypothesis 6:4c showed insignificant association when tested separately, but proved significant in the final model, so hypothesis 6:4c is supported. Hence, it was expected that social cognitive related outcomes are more likely to be associated with SPT and TDP, more than with FIT.
Organisational Justice Theory Related Outcomes

Two hypotheses were proposed for organisational justice related outcomes, one for DJ and the second for PJ.

**Hypothesis 6.5:** Employees who are identified as talent will report higher levels of DJ than employees who are not identified as talent.

Support was found for hypothesis 6.5\textsubscript{a} in the first model and there was an insignificant association in the second model; nonetheless this does not negate the fact that a relationship is apparent, so hypothesis 6.5\textsubscript{a} is supported. Second, hypothesis 6.5\textsubscript{b} is rejected because no support was found for an association between SPT and DJ in either models. Finally, hypothesis 6.5\textsubscript{c} is supported because a positive relationship was found between TDP and DJ in both models.

**Hypothesis 6.6:** Employees who are identified as talent will report higher levels of PJ than employees who are not identified as talent.

Support for hypothesis 6.6\textsubscript{a} was found in both models, thus hypothesis 6.5\textsubscript{a} is accepted. Second, hypothesis 6.6\textsubscript{b} is rejected since no support was found in either model. Finally hypothesis 6.6\textsubscript{c} is supported because there was a positive and significant relationship between TDP and PJ in both models.

**Organisation-Related Outcomes**

The last set of hypotheses examines talent identification and four organisation-related outcomes:

**Hypothesis 6.7:** Employees who are identified as talent will report higher levels of AC than employees who are not identified as talent.

Hypothesis 6.7\textsubscript{a} was supported, since a strong positive relationship between FIT and AC occurs in both models. Hypothesis 6.7\textsubscript{b} is accepted, as there was support for this
when tested separately as well as when tested together with FIT and TDP. Finally no support was found in either model for an association between TDP and AC thus hypothesis 6.7c is rejected.

**Hypothesis 6.8:** Employees who are identified as talent will report higher levels of ITL than employees who are not identified as talent.

Hypothesis 6.8a is supported in both models, FIT and ITL are negatively associated when tested individually and when SPT and TDP were included in the model. Hypothesis 6.8b is supported when tested individually, with a negative association existing between SPT and ITL. On the other hand, hypothesis 6.8c was supported, but with a positive association between TDP and ITL, the relationship is significant only when all three sources are included and insignificant when they are excluded.

**Hypothesis 6.9:** Employees who are identified as talent will report higher levels of ERBH than employees who are not identified as talent.

Support was found for a positive association between ERBH and FIT in the first model but not the second, thus hypothesis 6.9a is supported. Next a positive association between SPT and ERBH was found in both models, leading to hypothesis 6.9b being accepted. Finally hypothesis 6.9c is rejected for both models for TDP and ERBH as there is no link between them in either model.

- **Hypothesis 6.10:** Employees who are identified as talent will report higher levels of ERBV than employees who are not identified as talent.

Lastly hypothesis 6.10a suggests a relationship between FIT and ERBV that is supported by the individual model but not the all-in-one model, so this hypothesis is accepted. Second, both models show support for hypothesis 6.10b. Finally hypothesis 6.10c is rejected because no support was found for it in either analysis.
6.5.4 Is incongruence important for outcomes?

The following section presents the results from a univariate ANOVA analysis, where interaction and associations with any of the variables were examined to test hypothesis 6.11: *Incongruence between the different talent identification sources is likely to have negative effect on all four categories of variables tested.*

Where interactions are significant this indicates that incongruence is important and further analysis needs to be performed. Nonetheless, if interactions’ p-values are insignificant, then incongruence is unimportant. Analyses were undertaken using SPSS.

A univariate ANOVA analysis was conducted to compare the effect of the three talent sources on LMX, PTP, OSE, OBSE, DJ, PJ, AC, ITL, ERBH and ERBV (Table 6.26). In summary, the findings do not support the hypothesis and so hypothesis 6.11 is rejected. With the exception of the organisational justice outcomes, where for PJ an interaction between SPT and TDP is significant (p=.02) and for DJ the interaction between SPT and FIT is significant (p=.03), no other interaction is found to be significant. For the two interactions that are significant, the subsequent examination of the effect is difficult to interpret. In light of the large number of tests conducted for this hypothesis (and therefore the greater risk of Type I errors), it may be safer to view these significant effects as spurious. The findings are presented next for completeness.
<table>
<thead>
<tr>
<th>Source</th>
<th>LMX</th>
<th>PTP</th>
<th>OBSE</th>
<th>OSB</th>
<th>PJ</th>
<th>DJ</th>
<th>AC</th>
<th>ITL</th>
<th>ERBH</th>
<th>ERBV</th>
</tr>
</thead>
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<tr>
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<td>.06</td>
<td>.81</td>
<td>.01</td>
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<td>.01</td>
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<tr>
<td>FIT</td>
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<td>.79</td>
<td>.30</td>
<td>.28</td>
<td>.60</td>
<td>.03</td>
</tr>
<tr>
<td>SPT*TDP</td>
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<td>64</td>
<td>.02</td>
<td>.2.3</td>
<td>.13</td>
<td>.29</td>
<td>.17</td>
<td>.40</td>
<td>.53</td>
<td>.04</td>
</tr>
</tbody>
</table>

Table 6.2: Talent identification sources and incongruence
No significant effect was observed for any two or more of the talent identification sources interactions and LMX. For SPT*FIT results were $F(1) = .42$, $p = .52$, while for SPT*TDP they were $F(1) = .09$, $p = .76$, and for the final paired interaction presented in (Table 6.26) FIT*TDP $F(1) = .23$, $p = .64$. Thus, the interaction effect of the three together was insignificant ($p < .05$, $F(1) = 3.4$, $p = .06$) indicating that the incongruence effect is unimportant with respect to LMX.

Talent identification sources and OSE reported insignificant results for all interactions ($p > .05$). The first interaction was SPT*FIT ($F(1) = .06$, $p = .81$). The second interaction was SPT*TDP, ($F(1) = .34$, $p = .56$), while the third interaction was FIT*TDP ($F(1) = .08$, $p = .79$). Finally the interaction for SPT, FIT and TDP resulted in $F(1) = 2.8$, $p = .09$. Thus interactions for talent identification sources and OSE analysis indicate that incongruence is irrelevant.

OBSE shows, once again, that no paired or all-in interactions were significant, indicating that incongruence is unimportant. The first interaction is SPT*FIT ($F(1) = .01$, $p = .92$). The second interaction is SPT*TDP ($F(1) = .78$, $p = .38$) and the final paired interaction reported $F(1) = 2.9$, $p = .09$. For all three sources interaction results were $F(1) = .47$, $p = .49$. Thus, for OBSE, incongruence is reported as insignificant.

The organisational justice variable results reported significant relationships for the interaction FIT*TDP ($p = .02$) with procedural justice ($F(1) = 6.1$). SPT and FIT as well as FIT and TDP reported insignificant relationships with results $F(1) = .01$, $p = .92$ and $F(1) = .28$, $p = .59$ respectively. Figure (6.2) illustrates the implication of the significant interaction with PJ next.
An analysis was performed to explore the relationship between PJ and the interaction SPT*TDP. Findings presented in Figure (6.2) show that participants perceive low levels of PJ whether they are TDP and perceive themselves as talent, or when they are TDP and do not perceive themselves as talent. Indeed PJ appears higher under the two conditions of incongruence. These results are therefore difficult to explain.

**Figure 6.2: Compared Means PJ**

<table>
<thead>
<tr>
<th>TDP</th>
<th>SPT</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Yes</td>
<td>2.9632</td>
</tr>
<tr>
<td>No</td>
<td>2.7955</td>
</tr>
</tbody>
</table>

DJ reported one significant interaction, namely SPT*FIT (F (1) = 5.1 \(p = .03\)). The rest of the interactions were insignificant (Table 6.26). The values were for SPT*TDP F (1) = 2.2 \(p = .13\), and for FIT*TDP, F (1) = .02 \(p = .89\). For all three sources the interaction was F (1) = .21 \(p = .65\). Thus, the association between DJ and SPT*FIT demands further analysis of the means (see Figure, 6.3).

A compared means analysis was conducted to explore the association between DJ and the interaction SPT*FIT. The findings once again suggest that DJ is higher in both incongruence conditions, which is again difficult to explain.

**Figure 6.3: Compared Means DJ**

<table>
<thead>
<tr>
<th>FIT</th>
<th>SPT</th>
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<tbody>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Yes</td>
<td>2.8681</td>
</tr>
<tr>
<td>No</td>
<td>2.3333</td>
</tr>
</tbody>
</table>
The AC results indicate that incongruence is of less importance where interactions’ \( p \)-values were lower than the threshold of .05 (Table 6.26). Interactions of SPT with FIT and TDP are reported respectively as follows: \( F (1) = .02 \ p = .89 \); \( F (1) = 1.2 \ p = .29 \). FIT with TDP reported \( F (1) = .03 \ p = .88 \). Finally, there were insignificant results for the three interactions together: \( F (1) = 1.35 \ p = .25 \).

For ITL and talent source interactions, the results suggest that the interactions are insignificant. For SPT*FIT the values are \( F (1) = .12 \ p = .73 \); for SPT*TDP \( F (1) = 1.9 \ p = .17 \), and for FIT*TDP \( F (1) = .03 \ p = .86 \). Thus an interaction of all talent identification sources yields values less than .05 as \( p \) value \( F (1) .86 \ p = .36 \).

ERBH reported insignificant interactions (Table 6.26). For SPT*FIT, \( F (1) = .21 \ p = .65 \); for SPT*TDP, \( F (1) = .40 \ p = .53 \); for TDP*FIT, \( F (1) = .00 \ p = .96 \); and finally SPT, FIT and TDP reported \( F (1) = .21 \ p = .65 \). As is evident from the results, incongruence is of little importance with employee outcomes, which, in this analysis, is ERBH.

ERBV results show insignificant interactions. They are as follows: SPT*FIT \( F (1) = 1.2 \ p = .27 \); SPT*TDP, \( F (1) = .04 \ p = .84 \); FIT*TDP \( F (1) = .00 \ p = .99 \). Thus the last interaction encompassing all three sources is insignificant \( F (1) = .01 \ p = .94 \). These findings suggest that incongruence is unimportant for ERBV.

- **Part Three- Conclusions**

A univariate ANOVA analysis was conducted nine times for LMX, OBSE, OSE, ITL, DJ, PJ, AC, ERBH and ERBV. The aim of the analyses was to examine if incongruence is important for differentiated TM. In short, it is possible to infer from the findings that it is not particularly important. The significant interactions of SPT*FIT for DJ and of SPT*TDP for PJ suggested that perceived justice was actually higher in the incongruent conditions. However, considering large number of tests conducted for this
Chapter Six Study Two Part A Procedures & Findings 246

hypothesis, which increases the risk of Type I errors, and the greater number of non-significant interactions found, it may be safer to conclude that incongruence is not a particularly important issue here. Possible reasons for this will be considered later.

6.5.5 Fourth Aim

The fourth aim of Study two part A was to inform a more comprehensive model to test subsequently. From the results presented thus far we can conclude that FIT and SPT are far more associated with outcomes than TDP. For instance, FIT is associated positively with all four categories of variables with the exception of OSE. Additionally, SPT has a strong positive association with PTP, OBSE, AC, and a negative association with ITL ERBH and ERBV, while there was partial support with OSE. Yet, on the other hand, TDP reported a significant positive association with DJ and weaker positive support for OBSE and OSE, while it associated negatively with ITL. And thus, FIT with SPT might be worth investigating further in the analytical model, while it makes sense to exclude TDP.

This said, the nature of FIT as a source for talent identification differs from that of SPT, as explained at the beginning of this chapter. To recap briefly, FIT occurs after joining the firm and requires formal identification from managers, whilst SPT, on the other hand, is about self-evaluation from employees themselves and so might fit nicely with SCT variables. Indeed, since the recent emergence of research on employee reactions to differentiated TM, academic focus has been on organisational related sources. Although such studies have varied, nonetheless, the common element between them has been talent identification as identified by the organisations. Due to the nature of these two sources it might be better to consider FIT as the main independent variable for the
analytical model, while SPT could potentially be utilised as a mediator since there is evidence that there seems scope that both exchange and cognitive variables may operate as mediators that may perhaps explain why employees react the way they do.

6.6 Chapter Conclusions

The general aim of study two is to examine employees’ reactions to differentiated TM, and reasons why they react the way they do. The first section of this chapter explored the design, procedures and sample information, followed by an account of the measurements used and their assessments and concluded by briefly explaining the analysis mechanisms used. The findings from study two have been divided between two chapters. The first (Chapter Six) is exploratory in nature the second, Chapter Seven, is more analytical. Three analysis tests have been applied to reach conclusions for the first part of the findings and have been presented in this chapter.

The first aim of the quantitative analysis has been directed towards thoroughly investigating the three types of talent identification sources and how they are interrelated. Chi-square results indicate that FIT, SPT and TDP are significantly associated, yet conceptually distinct. Being FIT or being enrolled on a TDP does not automatically result in employees perceiving themselves to be talent and vice versa. This is interpreted further in the discussion chapter.

The second aim has been to understand the relationship between each talent identification source and the other variables. The results have shown that TDP is the variable with the least number of significant associations, whilst SPT and FIT are linked with most of the outcomes. Findings indicate that employees who are talent identified by
one of these sources are more likely to have positive outcomes than employees who are not. Inferences drawn from these findings are discussed in Chapter Eight.

The third aim of the study is to explore the notion of incongruence and its importance, if any. The findings suggest that incongruence is unimportant, as the interactions created between the three talent identification sources were reported to be insignificant. When there was a significant interaction, as was the case twice, a compared means analysis showed that it was still unimportant. Firstly the results were difficult to interpret and potentially one may argue that given large number of tests and the associated risk increases of type 1 error thus the two results maybe viewed as spurious. Hence, the effects of talent identification sources seems to be independent from each other, where each can appropriately examine direct effects distinctly for each sources. Implications for incongruence effects will be considered in the discussion chapter.

The fourth aim has been to inform the analytical model that is presented and discussed next. It is clear that talent and non-talent react differently to TM in all different talent identification sources. Having said that, FIT and SPT seemed to be associated significantly with all four groups of outcomes, whereas TDP is not. Consequently, in the analytical model and because of its nature, FIT is selected as the independent variable to focus on when testing for mediation and moderation effects.

This chapter has proposed a number of effects of talent identification, yet the mechanisms of why these effects occur are somewhat unknown. Thus, Chapter Seven explores two models that may explain employees reactions to differentiated TM and under what conditions they occur.
7 Chapter Seven: Study Two, Part B: Procedures and Findings

7.1 Introduction

This chapter presents the second part of study two. The overall aim is to test a model that accounts both for why and under what circumstances FIT has an effect on the employee outcomes, AC ITL, ERBH and ERBV.

7.1.1 Study Two Part B: Research Aim and Questions

To achieve the general aim of study two, three sub-goals have been targeted. The first is to examine mediation models using social exchange components as potential mechanisms that may explain the relationship between FIT and the four organisationally relevant outcomes: affective commitment (AC), intention to leave (ITL) and the extra-role behaviours, helping and voice (ERBH and ERBV). The social exchange components are perceived talent practices (PTP), leader-member exchange (LMX), and distributive justice (DJ).

The second goal is to test for a second series of mediation models that examine components representing social cognitive theory as potential mechanisms that may explain the relationship between FIT and the four organisationally relevant outcomes. In this study these components are occupational self-efficacy (OSE), organisation-based self-esteem (OBSE) and self-perceived talent (SPT). Mediation analyses are performed following three stages, firstly for each mediator variable individually; secondly for each set of components separately; and finally a mediation model that compares mediators from each component together.
The final goal is to test for the influence of procedural justice on employees’ reactions to being FIT as a moderator. Differentiated TM seems to lead to negative reactions and attitudes among those excluded from talent pools, but it may be that these effects can be mitigated if procedural justice is maintained. Procedural justice may be a crucial element for the wider effectiveness of differentiated TM.

The chapter starts by presenting the hypotheses and their development. This is followed by an explanation of the aspects of study two’s methodology relevant for this part of the study. The findings are then presented and organised based on the above sub-aims. The analytical model underpinning this part of the study is presented in Figure 7.1 below.

*Figure 7.1: Study Two Analytical Model*
7.2 Development of Hypotheses

Seven hypotheses have been developed and tested; these are presented in the findings as four sub-hypotheses for each outcome separately. In Chapter Six, a set of hypotheses were developed to examine and test the relationship between talent identification sources and four employee outcomes. It was proposed that there is a positive link between talent identification sources and the employee outcomes, with the exception of ITL, where it was proposed that the relationship is likely to be negative.

As a reminder, FIT was significantly associated with all sets of variables with the exception of OSE. Therefore, the next section focuses on the development of the mediating effect, which social exchange outcomes may have on organisation-related outcomes, AC, ITL, ERBHG and ERBV. This is followed by an examination of the potential mediating effects of social cognitive theory on the four outcomes and finally the development of procedural justice as a buffer for the downside of differentiated TM.

7.2.1 Social Exchange Theory (SE\textsuperscript{X}T) Multiple Mediation Model

The social exchange process and the notion of reciprocation were discussed in Chapter Three, section 3.5.1, to provide a potential explanation of why employee reactions vary to differentiated TM. Briefly, SE\textsuperscript{X}T focus is on the employer-employee relationship, with a reciprocal interaction suggested between the two, where a felt obligation for each side determines employees’ behaviours and drives each party’s expectations from the other. In differentiated TM, managers play a significant role in the process of both identification of and providing talent with more practices to ensure their progression. Thus being identified as FIT and provided with more support implies to individuals that the firm appreciates their contributions and is acknowledging their efforts. Additionally, individuals are likely to show positive reactions to being FIT to
meet their side of the obligation and meet their employer’s expectations. Although social exchange theory has been proposed in the differentiated TM literature, its utilisation has been limited (e.g. Björkman et al., 2013; Gelens et al., 2015). Nonetheless, social exchange theory has been proposed to further test differentiated TM (Gallardo-Gallaro et al., 2015).

Three variables, LMX, PTP and DJ, are presented as part of the social exchange model. Additionally they have shown to be positively associated with FIT in Chapter Six. First, LMX is proposed to play a role in the employer-employee exchange because, in differentiated TM, the manager’s role is sensitive to how they communicate a message to their subordinates; the way they do this is likely to influence employees’ reactions and how they perceive their identification and differentiated management practices in their firm (Gelens et al., 2013).

Therefore, managers are likely to provide more support to individuals who are FIT than those who are not, resulting in higher levels of LMX for those who are FIT compared with non-FIT employees. This is supported by the results from Chapter Six; higher levels of LMX are likely to lead to higher levels of positive organisational outcomes (Cropanzano and Mitchell, 2005).

Secondly, differentiated TM involves identification as a first step after which employees’ expectations rise, and they are likely to receive differentiated management practices in the form of PTP as a sign of the firm’s continuous support for them. On the basis of social exchange theory, talent are likely to adjust their contributions to the organisation according to what talent receive from the firm. The basis of exchange is then influenced by the practices they benefit from; compared to their peers, talent are likely to benefit from more practices and thus reciprocate positively in relation to their firm.
Sonnenberg et al. (2014) examined the number of practices received and the influence this had on employees’ perceptions regarding psychological contract fulfilment; here their findings indicate increased numbers of perceived practices are linked to greater psychological contract fulfilment. Accordingly, individuals who are FIT are likely to reciprocate positively, because of the likelihood of PTP positively influencing AC, and negatively ITL, while increasing ERBH and ERBV.

Employees who are FIT are likely to show high levels of DJ because such employees are likely to form a perception of DJ based on the ratio of their inputs and the outputs they receive from the firm, so being identified as FIT may possibly be considered a fair output for their inputs of past education and skills. Employees who are not FIT may show lower levels of perceived DJ if they evaluate the ratio of their inputs and outputs to be unfair. For instance, as described in section 2.3, Chapter Two, Gelens et al. (2014) have shown that DJ is indeed higher for employees who were designated as talent compared to those who were not. In line with differentiated management, employees who are FIT are likely to be managed differently, and receive more resource-allocation than that do non-talent, and so are more likely to perceive that they are being treated fairly than those who have not been identified as talent.

The principles of social exchange suggest that employees will modify their contributions according to what they receive from their firm. Therefore employees who consider that their firm appreciates them, treats them differently and fairly will reciprocate positively, by showing higher levels of AC, a negative link to ITL and increased ERBH and ERBV than employees who are non-talent. Several management studies have demonstrated support for the positive influence of social exchange theory on employee outcomes, such as OCB, higher level of attachment and less likely to leave the
firm, as described in Chapter Three (Podsakoff et al., 2000; Cropanzano & Mitchell, 2005; Holtom et al., 2008; Wayne et al., 2012; Björkman et al., 2013; Gelens et al., 2015). Hence, employees who are FIT will reciprocate positively, knowing that their inputs are appreciated and will believe they have made a fair exchange, whilst the opposite is the case for non-talent. The hypotheses for the social exchange model are presented below:

**Hypothesis 7.1:** LMX mediates the relationship between FIT and
- Affective Commitment (AC)
- Intention To Leave (ITL)
- Extra-Role Behaviour Help (ERBH)
- Extra-Role Behaviour Voice (ERBV)

**Hypothesis 7.2:** PTP mediates the relationship between FIT and
- Affective Commitment (AC)
- Intention To Leave (ITL)
- Extra-Role Behaviour Help (ERBH)
- Extra-Role Behaviour Voice (ERBV)

**Hypothesis 7.3:** DJ mediates the relationship between FIT and
- Affective Commitment (AC)
- Intention To Leave (ITL)
- Extra-Role Behaviour ‘Help’ (ERBH)
- Extra-Role Behaviour ‘Voice’ (ERBV)

### 7.2.2 Social Cognitive Theory Multiple Mediation Model

Based on social cognitive theory (SCT), individuals are likely to act as they are expected to, this can be determined by several cues that these individuals collect from their environment and thus shape their self-evaluation and influence the way they react. Being FIT is likely to indicate to individuals that they are different because of their value, and thus they react positively to meet their employers’ expectations. The opposite is the case for those who have not been identified as talent, which may indicate to them that
they are of lesser value to the firm and so the firm expects less from them where they may act accordingly to meet these lower expectations.

In this model three variables are used to test for mediation effects; SPT, OSE and OBSE. Because of the nature of social cognitive theory these three variables can be perceived to be fit under the SCT. First SPT, as evident in Chapter Six is significantly associated with most of the tested outcomes, thus it is essential to include SPT as part of the analytical model. Second SPT relates closely to how individuals perceive themselves, and so is linked more closely to social cognitive concepts than an exchange relationship. Finally, in recent research SPT has been shown to be of significance when testing self-perceptions and how it might affect talent identification in differentiated TM (for example, Sonnenberg et al., 2014).

The second variable is OSE Stajkovic and Luthans’ (1998) meta-analytical study demonstrated that OSE is significantly associated with and a good predictor of work-related performance in comparison to other personality traits measurements. Using a general scale that relating to occupations and organisations, Schyns and Collani (2002) tested the association between OSE and work-related outcomes. Their findings reveal that OSE is positively related to LMX and job satisfaction, and is closely correlated with AC. Schyns and Collani’s findings suggest that leaders influence their employees’ self-efficacy levels and show that employees with high levels of self-efficacy have high levels of commitment, as they are doing well in their job in their present company but may believe that this would not be the case in another company. Employees who knew that they have been given high value jobs increase their self-worth and what their managers expect from them, so they are likely to respond positively to meet these expectations.
Finally, OBSE is an important concept and part of the social cognitive theory model, where Gardner (2004) concludes that it is a useful concept to test after reviewing the literature over the past decade, because increased OBSE relates to positive employee behaviours, such as commitment and citizenship behaviour and relates negatively to turnover (Gardner, 2004). Thus, talent are more likely to receive signals from their organisation, such as having higher levels of involvement that increase their self-esteem. This is in contrast to non-talent who have less control over their working lives and may take this to indicate that they are considered to be incompetent, thus negatively influencing their self-esteem. Putting this all together, the OBSE levels of talent may indeed be higher than those of non-talent, which may possibly explain, in part, why talent are more likely to be linked to positive behaviours.

Briefly, FIT is likely to enhance employees’ self worth, and what the firm expects from them and thus influence their attitudes and behaviours positively. In relation to differentiated TM, social cognitive has not received much attention or has not been tested before and this may offer an exploratory avenue to answer the question of why employees, talent and non-talent, vary in their reactions to differentiated TM.

**Hypothesis 7.4:** SPT mediates the relationship between FIT and

- Affective Commitment (AC)
- Intention To Leave (ITL)
- Extra-Role Behaviour Help (ERBH)
- Extra-Role Behaviour Voice (ERBV)

**Hypothesis 7.5:** OSE mediates the relationship between FIT and

- Affective Commitment (AC)
- Intention To Leave (ITL)
- Extra-Role Behaviour Help (ERBH)
- Extra-Role Behaviour Voice (ERBV)

**Hypothesis 7.6:** OBSE mediates the relationship between FIT and

- Affective Commitment (AC)
- Intention To Leave (ITL)
- Extra-Role Behaviour Help (ERBH)
7.2.3 **Procedural Justice Moderation effect**

The value of employees’ perceptions of justice and its effect on their behaviours was discussed in Chapter Three. In short, PJ can act as a buffer to the negative effects of differentiated TM. As argued by Colquitt et al., “the effects of unfavourable outcomes were mitigated by the presence of high procedural justice” (Colquitt et al., 2005, p.28). Additionally, they argue that PJ might have close links to system-referenced outcomes such as organisational commitment. In differentiated TM is slanted against those not identified as talent where differentiated TM depends on unequal resources allocation; nonetheless, it is proposed that PJ can potentially mitigate that effect and to help effective differentiated TM deployment to take place, where both individuals who have been identified as talent and those who have not can perceive differentiated TM to be fair (Gelens et al., 2013). Hence, PJ may be useful in differentiated TM in neutralising negative effects due to talent identification and unequal resource allocation in differentiated TM.

PJ can potentially work as a moderator in differentiated TM and thus reduce feelings of injustice among non-talent. Several reasons have been discussed with regard to how PJ might work as a buffer for potential negative outcomes of differentiated TM (Gelens et al., 2013). First, in relation to talent identification, if non-talent perceive the talent identification process to be fair, then they are more likely to accept the outcomes and that they have been classified as non-talent, thus are less likely to respond negatively. Second, if the process is clear as to how and why someone is classified as talent, then employees’ expectations of both categories (talent and non-talent) are managed and so
both groups are able to predict their future outcomes and are likely to behave positively. Gelens et al. third justification relates to employees’ self-value, where perceptions of unfairness may conflict with their own values and thus may negatively influence their self-evaluation. Bearing this in mind, TM may be beneficial and lead to positive outcomes for both talent and non-talent employees under conditions of perceived PJ. Hence, PJ could potentially play a significant role in differentiated TM.

**Hypothesis 7.7:** Perceived procedural justice will moderate the relationship between talent identification and employee outcomes, AC, ITL, ERBH and ERBV. When PJ is high the relationship between FIT and outcomes will be lower than when PJ is low.

### 7.3 Methodology for Study Two Part B

The second part of study two draws on the same dataset, procedures, measures and tools as outlined in Chapter Six. In this part of the analysis, Mplus was used to test for simple and multiple mediations, while Process (Hayes, 2013), an add-on in SPSS, was used to measure the moderation effect. As all Mplus models were ‘saturated’ (i.e. all variables included were free to correlate with each other) no fit statistics are reported. For full details on how mediations and moderations were tested please refer to Chapter Four, the methodology chapter.

### 7.4 Analysis and Findings

This section has four parts; first social exchange theory is tested as a mediator for the relationship between FIT and organisation-related outcomes. Next it tests effects via social cognitive theory variables. Thirdly, it tests a hybrid model that combines concepts from both theories. Finally the fourth part tests for the effect of PJ as a moderator on the influence of FIT on employee outcomes.
7.4.1 Which Aspects of Social Exchange Theory Explain the Relationship Between Formally Informed Talent and Outcomes

Four different models were tested; the first with LMX as a single mediator, the second with PTP as the mediator and the third where DJ was the only mediator. Finally all mediators were combined in the fourth model in a multi-mediation model, to offer the opportunity for all three to be tested for all four outcomes at once (see Figure 7.2). Below the findings from the models are presented and explained briefly.

Figure 7.2: SETModel

7.4.1.1 Leader Member Exchange

The first proposition for the social exchange model proposes that employees who are FIT will show higher levels of LMX than their colleagues and this will positively influence their outcomes. On the other hand, non-FIT employees will show low LMX levels and thus are less likely to have positive outcomes. A simple mediation analysis was performed to test the hypothesis. The findings are presented in four tables for each outcome, although the analysis was conducted in one model.

First, the indirect effect of FIT on AC via LMX is presented in Table (7.1) and the estimate is found to be significant, as shown by the bootstrapped confidence intervals that do not contain a zero [0.01; 0.09]. FIT and LMX are significantly related with \( p = 0.01 \). AC and LMX are positively associated with and without control variables \( p = 0.000 \). In addition, FIT and AC remain significantly related when the effects of LMX are included.
Thus the combinations of these findings suggest that LMX partially mediates the relationship between FIT and AC and so supports hypothesis 7.1a.

Table 7.1: Indirect effect via LMX on AC with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>LMX¹</th>
<th>LMX²</th>
<th>AC¹</th>
<th>AC²</th>
<th>AC¹</th>
<th>AC²</th>
</tr>
</thead>
<tbody>
<tr>
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<td>.21**</td>
<td>.28***</td>
<td>.29**</td>
<td>.23***</td>
<td>.23***</td>
</tr>
<tr>
<td>Leader-Member Exchange (LMX)</td>
<td></td>
<td></td>
<td>.29**</td>
<td>.29**</td>
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<td></td>
</tr>
<tr>
<td>$R^2$</td>
<td>.05</td>
<td>.04</td>
<td>.09*</td>
<td>.09**</td>
<td>.18***</td>
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Total Indirect Effect

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<th>UCLI¹</th>
<th>Sig¹</th>
<th>LCLI²</th>
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<td>.10</td>
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</tr>
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</table>

The second outcome is ITL and the results are presented in Table (7.2), where the indirect estimate is significant as indicated by the bootstrapping results containing no zero [-.12; -.02]. FIT and ITL are negatively related $p = .003$ before LMX is added to the model; the same still holds afterwards. LMX and ITL are also negatively associated with $p = .000$. Because the association between FIT and ITL is significant and the second path LMX to ITL is significant then the mediation is partial and not full. Thus, results for hypothesis 7.1b show that LMX partially mediates the relationship between FIT and ITL, employees who are FIT are more likely to have higher levels of LMX and consequently less likely to leave the organisation.

Table 7.2: Indirect effect via LMX on ITL with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>LMX¹</th>
<th>LMX²</th>
<th>ITL¹</th>
<th>ITL²</th>
<th>ITL¹</th>
<th>ITL²</th>
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<td>-.22**</td>
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<td>-.38***</td>
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</tr>
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<td>.08*</td>
<td>.06**</td>
<td>.22***</td>
<td>.20**</td>
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Total Indirect Effect

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<th>Est¹</th>
<th>UCLI¹</th>
<th>Sig¹</th>
<th>LCLI²</th>
<th>Est²</th>
<th>UCLI²</th>
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<td>-.13</td>
<td>-.08</td>
<td>-.03</td>
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</table>
Chapter Seven. Study Two Part B Procedures & Findings

LMX fully mediates the relationship between FIT and ERBH, because first the bootstrapped confidence intervals contain no zero [.00; .07], as shown in Table (7.3). Secondly FIT and ERBH are not significantly linked in model one with no mediation \( p=.32 \) and in model two with LMX as a mediator \( p=.59 \). Third, FIT and LMX are significantly associated and LMX is significantly related to ERBH \( p=.02 \). Thus the sum of these findings indicates that the relationship between FIT and ERBH is fully mediated by LMX, which supports hypothesis 7.1c.

*Table 7.3: Indirect effect via LMX on ERBH with and without control variables*

<table>
<thead>
<tr>
<th></th>
<th>LMX(^1)</th>
<th>LMX(^2)</th>
<th>ERBH(^1)</th>
<th>ERBH(^2)</th>
<th>ERBH(^1)</th>
<th>ERBH(^2)</th>
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<td>.21**</td>
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<td>.09</td>
<td>.04</td>
<td>.05</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td>.18*</td>
</tr>
<tr>
<td>( R^2 )</td>
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<td>.01</td>
<td>.01</td>
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<td>.04</td>
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Total Indirect Effect

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<th>Est(^1)</th>
<th>UCLI(^1)</th>
<th>Sig(^1)</th>
<th>LCLI(^2)</th>
<th>Est(^2)</th>
<th>UCLI(^2)</th>
<th>Sig(^2)</th>
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<td>.04</td>
<td>.04</td>
<td>.07</td>
<td>.04</td>
<td>.04</td>
</tr>
</tbody>
</table>

\(+P\leq.1*P\leq.05/\ **P\leq.01/\ ***P\leq.001\) \(^1\) with control variables \(^2\) without control variables

Hypothesis 7.1d tests for the final outcome in this model (ERBV) and is rejected since bootstrapping confidence intervals contained a zero [−.01; .05], as shown in Table (7.4).

*Table 7.4: Indirect effect via LMX on ERBV with and without control variables*

<table>
<thead>
<tr>
<th></th>
<th>LMX(^1)</th>
<th>LMX(^2)</th>
<th>ERBV(^1)</th>
<th>ERBV(^2)</th>
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<th>ERBV(^2)</th>
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<td>.16*</td>
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<tr>
<td>Leader-Member Exchange (LMX)</td>
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<td></td>
<td>.14*</td>
<td>.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>( R^2 )</td>
<td>.05</td>
<td>.04</td>
<td>.04</td>
<td>.03</td>
<td>.05</td>
<td>.04</td>
</tr>
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</table>

Total Indirect Effect

<table>
<thead>
<tr>
<th>Indirect Effect via LMX</th>
<th>LCLI(^1)</th>
<th>Est(^1)</th>
<th>UCLI(^1)</th>
<th>Sig(^1)</th>
<th>LCLI(^2)</th>
<th>Est(^2)</th>
<th>UCLI(^2)</th>
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<td>-.01</td>
<td>.02</td>
<td>.05</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(+P\leq.1*P\leq.05/\ **P\leq.01/\ ***P\leq.001\) \(^1\) with control variables \(^2\) without control variables
• **Conclusions for LMX**

The findings suggest that LMX does indeed account for some of the employees’ positive outcomes. LMX partially mediates the relationship between FIT and AC and ITL, with full mediation for ERBH. This indicates that employees who have been FIT are more likely to have stronger and better relations with their managers than employees who have not been FIT and thus are more likely to have higher levels of commitment, be less likely to leave the organisation, and be more eager to help other employees. There was no mediation effect for ERBV via LMX and thus this sub-element of hypothesis 7.1\(_d\) is rejected.

7.4.1.2 **Perceived Talent Practices**

The second hypothesis in the social exchange perspective proposes that employees who are FIT are offered more practices than their colleagues and that this accounts for the positive effect on their outcomes. On the other hand, non-FIT employees will benefit from fewer practices, which thus influences their outcomes negatively. What follows presents each set of outcome results individually and in independent tables.

This section presents findings investigating the following proposition: employees who are FIT are more likely to have more PTP than the rest of the workforce and thus have higher levels of AC.

The indirect effect of FIT on AC via PTP is presented in Table (7.5), and the estimate is found to be significant, as shown by the bootstrapping confidence intervals that did not contain a zero [.04;.13]. FIT and PTP are positively associated with \(P \leq .001\). PTP and AC are positively significant with \(p = .00\). FIT and AC remain significantly associated \(p = .01\). The sum of these significant associations means that PTP can be seen to
partially mediate the relationship between FIT and AC, therefore providing support for hypothesis 7.2a.

Table 7.5: Indirect effect via PTP on AC with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>PTP1</th>
<th>PTP2</th>
<th>AC1</th>
<th>AC2</th>
<th>AC1</th>
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<td>.33***</td>
<td>.28***</td>
<td>.29***</td>
<td>.19*</td>
<td>.22**</td>
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<td>Perceived Talent Practices (PTP)</td>
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</tr>
<tr>
<td>$R^2$</td>
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Total Indirect Effect

<table>
<thead>
<tr>
<th></th>
<th>LLC1</th>
<th>Est1</th>
<th>ULC1</th>
<th>Sig1</th>
<th>LLC2</th>
<th>Est2</th>
<th>ULC2</th>
<th>Sig2</th>
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<tbody>
<tr>
<td>Indirect Effect via PTP</td>
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</table>

$^1$ with control variables $^2$ without control variables

The indirect effect of FIT on ITL via PTP is presented in Table (7.6), and the estimate is found to be significant, as shown by the bootstrapping confidence intervals that did not contain a zero [-.14; -.04]. FIT and PTP are positively associated with $P \leq .001$. PTP and ITL are positively significant with $p = .00$. FIT and ITL are insignificantly associated $p = .11$. The sum of these significant associations means that PTP fully mediate the relationship between FIT and ITL. Thus supporting for hypothesis 7.2b.

Table 7.6: Indirect effect via PTP on ITL with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>PTP1</th>
<th>PTP2</th>
<th>ITL1</th>
<th>ITL2</th>
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<td></td>
</tr>
<tr>
<td>$R^2$</td>
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<td>.11*</td>
<td>.08*</td>
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<td>.13**</td>
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Total Indirect Effect

<table>
<thead>
<tr>
<th></th>
<th>LLC1</th>
<th>Est1</th>
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</table>

$^1$ with control variables $^2$ without control variables

Hypothesis 7.2e is rejected because the bootstrapping contains a zero [-.01; .09] (see Table 7.7).
Table 7.7: Indirect effect via PTP on ERBH with and without control variables

<table>
<thead>
<tr>
<th></th>
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</tr>
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</tbody>
</table>

Notes: +P<1*P<05 / **P<01/ ***P<.001 ¹with control variables ² without control variables

The indirect effect of FIT on ERBV via PTP is presented in Table (7.8), and the estimate is found to be significant as shown by the bootstrapping confidence intervals that did not contain a zero [.04; .14]. FIT and PTP are positively associated with P≤.001 as mentioned earlier. PTP and ERBV are positively significant with p=.00. FIT and ERBV are insignificantly associated p= .34. The sum of these significant associations means that PTP fully mediate the relationship between FIT and ERBV and so support hypothesis7.2d.

Table 7.8: Indirect effect via PTP on ERBV with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>PTP¹</th>
<th>PTP²</th>
<th>ERBV¹</th>
<th>ERBV²</th>
<th>ERBV³</th>
<th>ERBV⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed Talent (FIT)</td>
<td>.33**</td>
<td>.33***</td>
<td>.16</td>
<td>.18</td>
<td>.08</td>
<td>.09</td>
</tr>
<tr>
<td>Perceived Talent Practices (PTP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.13**</td>
<td>.11*</td>
<td>.16</td>
<td>.18</td>
<td>.08</td>
<td>.09</td>
</tr>
<tr>
<td>Total Indirect Effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Effect via PTP</td>
<td>LLCI¹</td>
<td>Est¹</td>
<td>ULCI¹</td>
<td>Sig¹</td>
<td>LLCI²</td>
<td>Est²</td>
</tr>
</tbody>
</table>
|                         | .04   | .09   | .14   | *     |       | .04   | .08   | .13   | *

Notes: +P<1*P<05 / **P<01/ ***P<.001 ¹with control variables ² without control variables

- **Conclusions for PTP**

Results for PTP suggest that they do indeed account for part of employees’ positive outcomes, since PTP partially mediate the relationship between FIT and AC and full mediation occurs for ITL and ERBV. This suggests that individuals who are FIT are more likely to have more practices than those who are non-FIT and so are likely to show
higher levels of commitment, are less likely to leave and have more voice. Nonetheless, no support was found for ERBH and thus the sub-hypothesis 7.1c is rejected.

7.4.1.3 Distributive Justice

Part of the social exchange model suggests that DJ mediates the relationship between FIT and AC, ITL, ERBH and ERBV. Findings are presented in four tables based on the outcomes, however the analysis was conducted in one model.

The indirect effect of FIT on AC via DJ is presented in Table (7.9); and the estimate is found to be insignificant, as is shown by the bootstrapped confidence intervals containing a zero [-.01; .04]. Thus, hypothesis 7.3a is rejected.

**Table 7.9: Indirect effect via DJ on AC with and without control variables**

<table>
<thead>
<tr>
<th></th>
<th>DJ1</th>
<th>DJ2</th>
<th>AC1</th>
<th>AC2</th>
<th>AC1</th>
<th>AC2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed Talent (FIT)</td>
<td>.09</td>
<td>.13</td>
<td>.28**</td>
<td>.29**</td>
<td>.27**</td>
<td>.28**</td>
</tr>
<tr>
<td>Distributive Justice (DJ)</td>
<td>.03</td>
<td>.02</td>
<td>.09*</td>
<td>.14*</td>
<td>.15*</td>
<td></td>
</tr>
</tbody>
</table>

R²:

- with control variables
- without control variables

<table>
<thead>
<tr>
<th>DJ1</th>
<th>DJ2</th>
<th>AC1</th>
<th>AC2</th>
</tr>
</thead>
<tbody>
<tr>
<td>-.01</td>
<td>.01</td>
<td>.04</td>
<td>.04</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Indirect Effect</th>
<th>LLCI1</th>
<th>Est1</th>
<th>ULCI1</th>
<th>Sig1</th>
<th>LLCI2</th>
<th>Est2</th>
<th>ULCI2</th>
<th>Sig2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Effect via DJ</td>
<td>-.01</td>
<td>.01</td>
<td>-.01</td>
<td>.02</td>
<td>.04</td>
<td>.04</td>
<td>.04</td>
<td>.04</td>
</tr>
</tbody>
</table>

*P≤1* P<0.05 / **P<0.01 / ***P<0.001 1 with control variables 2 without control variables

The indirect effect of FIT on ITL via DJ is presented in Table (7.10); and the estimate is found to be insignificant, as is shown by the bootstrapped confidence intervals containing a zero [-.08; .01]. Thus, hypothesis 7.3b is rejected.

**Table 7.10: Indirect effect via DJ on ITL with and without control variables**

<table>
<thead>
<tr>
<th></th>
<th>DJ1</th>
<th>DJ2</th>
<th>ITL1</th>
<th>ITL2</th>
<th>ITL1</th>
<th>ITL2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed Talent (FIT)</td>
<td>.09</td>
<td>.13</td>
<td>-.22**</td>
<td>-.25**</td>
<td>-.19**</td>
<td>-.20**</td>
</tr>
<tr>
<td>Distributive Justice (DJ)</td>
<td>.03</td>
<td>.02</td>
<td>-.34***</td>
<td>-.35***</td>
<td>-.19***</td>
<td>-.18***</td>
</tr>
</tbody>
</table>

R²:

- with control variables
- without control variables

<table>
<thead>
<tr>
<th>ITL1</th>
<th>ITL2</th>
</tr>
</thead>
<tbody>
<tr>
<td>-.08</td>
<td>.03</td>
</tr>
<tr>
<td>.01</td>
<td>.09</td>
</tr>
<tr>
<td>-.09</td>
<td>-.05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Indirect Effect</th>
<th>LLCI1</th>
<th>Est1</th>
<th>ULCI1</th>
<th>Sig1</th>
<th>LLCI2</th>
<th>Est2</th>
<th>ULCI2</th>
<th>Sig2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Effect via DJ</td>
<td>-.08</td>
<td>.03</td>
<td>.01</td>
<td>-.09</td>
<td>-.05</td>
<td>.00</td>
<td>.04</td>
<td>.04</td>
</tr>
</tbody>
</table>

*P≤1* P<0.05 / **P<0.01 / ***P<0.001 1 with control variables 2 without control variables
The indirect effect of FIT on ERBH via DJ is presented in Table (7.11); and the estimate is found to be insignificant, as is shown by the bootstrapped confidence intervals containing a zero [-.02; .03]. Thus, hypothesis 7.3c is rejected.

**Table 7.11: Indirect effect via DJ on ERBH with and without control variables**

<table>
<thead>
<tr>
<th></th>
<th>DJ1</th>
<th>DJ2</th>
<th>ERBH1</th>
<th>ERBH2</th>
<th>ERBH1</th>
<th>ERBH2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed Talent (FIT)</td>
<td>.09</td>
<td>.13</td>
<td>.08</td>
<td>.09</td>
<td>.07</td>
<td>.08</td>
</tr>
<tr>
<td>Distributive Justice (DJ)</td>
<td>.03</td>
<td>.02</td>
<td>.01</td>
<td>.01</td>
<td>.01</td>
<td>.01</td>
</tr>
<tr>
<td>$R^2$</td>
<td></td>
<td></td>
<td>.03</td>
<td>.02</td>
<td>.01</td>
<td>.01</td>
</tr>
</tbody>
</table>

**Total Indirect Effect**

<table>
<thead>
<tr>
<th>Indirect Effect via DJ</th>
<th>LLCI1</th>
<th>Est1</th>
<th>ULCI1</th>
<th>Sig1</th>
<th>LLCI2</th>
<th>Est2</th>
<th>ULCI2</th>
<th>Sig2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-.01</td>
<td>.01</td>
<td>.02</td>
<td>.02</td>
<td>.01</td>
<td>.03</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$P \leq .05 / **P \leq .01 / ***P \leq .001$ 1 with control variables 2 without control variables

The indirect effect of FIT on ERBV via DJ is presented in Table (7.12); and the estimate is found to be insignificant, as is shown by the bootstrapped confidence intervals containing a zero [-.02; .02]. Thus, hypothesis 7.3d is rejected.

**Table 7.12: Indirect effect via DJ on ERBV with and without control variables**

<table>
<thead>
<tr>
<th></th>
<th>DJ1</th>
<th>DJ2</th>
<th>ERBV1</th>
<th>ERBV2</th>
<th>ERBV1</th>
<th>ERBV2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed Talent (FIT)</td>
<td>.09</td>
<td>.13</td>
<td>.16</td>
<td>.18</td>
<td>.16</td>
<td>.18</td>
</tr>
<tr>
<td>Distributive Justice (DJ)</td>
<td>.03</td>
<td>.02</td>
<td>.04</td>
<td>.03</td>
<td>.04</td>
<td>.03</td>
</tr>
<tr>
<td>$R^2$</td>
<td></td>
<td></td>
<td>.03</td>
<td>.02</td>
<td>.04</td>
<td>.03</td>
</tr>
</tbody>
</table>

**Total Indirect Effect**

<table>
<thead>
<tr>
<th>Indirect Effect via DJ</th>
<th>LLCI1</th>
<th>Est1</th>
<th>ULCI1</th>
<th>Sig1</th>
<th>LLCI2</th>
<th>Est2</th>
<th>ULCI2</th>
<th>Sig2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-.02</td>
<td>.00</td>
<td>.02</td>
<td>.02</td>
<td>.00</td>
<td>.02</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$P \leq .01 / **P \leq .05 / ***P \leq .001$ 1 with control variables 2 without control variables

- **Conclusions for DJ**

Results for DJ show no support for its role as a mediator for all four variables, AC, ITL, ERBH and ERBV. Thus hypothesis 7.3 is rejected.

7.4.1.4 Social Exchange Theory Model

This section tests and presents findings for the social exchange theory multiple-mediation model combining the three mediators, LMX, PTP and DJ. Analysis for this
model is run all at once, but for the purpose of clarity, the findings are reported in four different tables below. Two stages of analysis with and without control variables were conducted to examine whether the three social exchange theory mediators account for employee outcomes for talent and non-talent and to establish which out of the three is the strongest. Findings report minor if any difference when control variables are included or excluded from the analysis, as is presented in the tables below. For brevity, the discussion below is limited to the assessment of indirect effects and, if significant, whether the mediation is full or partial.

First, the indirect effect for FIT via LMX is presented in Table (7.13), and the estimate is found to be significant, since bootstrapping confidence intervals contained no zero [.00; .09] and thus further supports the mediation effect. Results report partial mediation for AC via LMX. Second, the indirect effect via PTP was significant without control variables [.00; .09]. For AC, partial mediation occurs via PTP when control variable are excluded. No support was found for DJ. Thus results suggest that PTP and LMX partially mediate the relationship between FIT and AC in a multiple-mediation model.

Table 7.13: Indirect effect via SE^n on AC with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>DJ¹</th>
<th>DJ²</th>
<th>LMX¹</th>
<th>LMX²</th>
<th>PTP¹</th>
<th>PTP²</th>
<th>AC¹</th>
<th>AC²</th>
<th>AC¹</th>
<th>AC²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed Talent (FIT)</td>
<td>.09</td>
<td>.13*</td>
<td>.19**</td>
<td>.21**</td>
<td>.33***</td>
<td>.33***</td>
<td>.28***</td>
<td>.29***</td>
<td>.19**</td>
<td>.20**</td>
</tr>
<tr>
<td>Leader-Member Exchange (LMX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Talent Practices (PTP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributive Justice (DJ)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>.03</td>
<td>.02</td>
<td>.05</td>
<td>.04</td>
<td>.13**</td>
<td>.11*</td>
<td>.09*</td>
<td>.09**</td>
<td>.19***</td>
<td>.18***</td>
</tr>
<tr>
<td>Total Indirect Effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 7.13: Indirect effect via SE^nT on AC with and without control variables

<table>
<thead>
<tr>
<th>Indirect Effect via LMX</th>
<th>LLCl¹</th>
<th>Est¹</th>
<th>ULCl¹</th>
<th>Sig¹</th>
<th>LLCl²</th>
<th>Est²</th>
<th>ULCl²</th>
<th>Sig²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.00</td>
<td>.05</td>
<td>.09</td>
<td></td>
<td>.01</td>
<td>.05</td>
<td>.09</td>
<td></td>
</tr>
<tr>
<td>Indirect Effect via</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.00</td>
<td>.05</td>
<td>.09</td>
<td></td>
<td>-.00</td>
<td>.05</td>
<td>.09</td>
<td></td>
</tr>
</tbody>
</table>
Second, the indirect effect of FIT on ITL via LMX is presented in Table (7.14), and the estimate is found to be insignificant, because bootstrapping confidence intervals contained a zero [-.09; -.01]. On the other hand, the indirect effect via PTP on ITL estimate is found to be significant, as bootstrapping confidence intervals contained no zero [-.09; -.01], and thus PTP fully mediate the relationship between FIT and ITL.

Finally, the indirect effect via DJ estimate is found to be insignificant as bootstrapping confidence intervals contained a zero [-.07; .02].

Table 7.14: Indirect effect via SExT on ITL with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>DJ^2</th>
<th>LMX^1</th>
<th>LMX^2</th>
<th>PTP^1</th>
<th>PTP^2</th>
<th>ITL^1</th>
<th>ITL^2</th>
<th>ITL^1</th>
<th>ITL^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed Talent (FIT)</td>
<td>.09</td>
<td>.13^*</td>
<td>.19^*</td>
<td>.33**</td>
<td>.33***</td>
<td>.22**</td>
<td>.25**</td>
<td>.12^*</td>
<td>.14^*</td>
</tr>
<tr>
<td>Leader-Member Exchange (LMX)</td>
<td>~26***</td>
<td>~26***</td>
<td>~.09</td>
<td>~.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Talent Practices (PTP)</td>
<td>~.20**</td>
<td>~.22**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributive Justice (DJ)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R^2</td>
<td>.03</td>
<td>.02</td>
<td>.05</td>
<td>.04</td>
<td>.13**</td>
<td>.11^*</td>
<td>.08^*</td>
<td>.06^*</td>
<td>.26***</td>
</tr>
</tbody>
</table>

Total Indirect Effect

<table>
<thead>
<tr>
<th></th>
<th>LLC1^1</th>
<th>Est1</th>
<th>ULC1^1</th>
<th>Sig1</th>
<th>LLC2^1</th>
<th>Est2</th>
<th>ULC2^2</th>
<th>Sig2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Effect via LMX</td>
<td>-.05</td>
<td>-.02</td>
<td>.01</td>
<td>.06</td>
<td>-.03</td>
<td>.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Effect via PTP</td>
<td>-.09</td>
<td>-.05</td>
<td>-.01</td>
<td>*</td>
<td>-.09</td>
<td>-.06</td>
<td>-.02</td>
<td>*</td>
</tr>
<tr>
<td>Indirect Effect via DJ</td>
<td>-.07</td>
<td>-.03</td>
<td>.02</td>
<td>.07</td>
<td>-.02</td>
<td>.02</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For the third outcome with ERBH, results are presented in Table (7.15). The indirect effect estimates for FIT on ERBH via LMX is found to be significant when control variables are excluded from the model confidence intervals contained no zero [.00; .07], but not when control variables are included [-.00; .07]. Results indicate full mediation via LMX on ERBH occurs when control variables are excluded, while for PTP and DJ confidence intervals contained a zero.
Chapter Seven. Study Two Part B Procedures & Findings 269

Table 7.15: Indirect effect via SE\textsuperscript{T} on ERBH with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>( DJ^1 )</th>
<th>( DJ^2 )</th>
<th>( LMX^1 )</th>
<th>( LMX^2 )</th>
<th>( PTP^1 )</th>
<th>( PTP^2 )</th>
<th>( ERBH^1 )</th>
<th>( ERBH^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed \n Talent (FIT)</td>
<td>.09</td>
<td>.13\textsuperscript{+}</td>
<td>.19\textsuperscript{**}</td>
<td>.21\textsuperscript{**}</td>
<td>.33\textsuperscript{***}</td>
<td>.33\textsuperscript{***}</td>
<td>.08</td>
<td>.09</td>
</tr>
<tr>
<td>Leader-Member \n Exchange \n (LMX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>( .17^* )</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived \n Talent \n Practices \n (PTP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>( .06 )</td>
<td>( .04 )</td>
</tr>
<tr>
<td>Distributive \n Justice \n (DJ)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>( -.04 )</td>
<td>( -.02 )</td>
<td></td>
</tr>
<tr>
<td>( R^2 )</td>
<td>.03</td>
<td>.02</td>
<td>.05</td>
<td>.04</td>
<td>.13\textsuperscript{**}</td>
<td>.11\textsuperscript{*}</td>
<td>.01</td>
<td>.01</td>
</tr>
</tbody>
</table>

Total Indirect Effect

<table>
<thead>
<tr>
<th></th>
<th>( LLCI^1 )</th>
<th>( Est^1 )</th>
<th>( ULCI^1 )</th>
<th>( Sig^1 )</th>
<th>( LLCI^2 )</th>
<th>( Est^2 )</th>
<th>( ULCI^2 )</th>
<th>( Sig^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Effect \n via LMX</td>
<td>-.00</td>
<td>.03</td>
<td>.07</td>
<td>.00</td>
<td>.04</td>
<td>.07</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Indirect Effect \n via PTP</td>
<td>-.03</td>
<td>.02</td>
<td>.04</td>
<td>-.03</td>
<td>.01</td>
<td>.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Effect \n via DJ</td>
<td>-.02</td>
<td>-.00</td>
<td>.02</td>
<td>-.03</td>
<td>-.00</td>
<td>.02</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{+}P \leq .1 \textsuperscript{*}P \leq .05 / \textsuperscript{**}P \leq .01 / \textsuperscript{***}P \leq .001 \textsuperscript{1} with control variables \textsuperscript{2} without control variables

The indirect effect for FIT on ERBV via LMX is presented in Table (7.16), and the estimate is found to be insignificant as shown by the confidence intervals \([-0.03; 0.03]\). But the indirect effect via PTP reported significant bootstrapping confidence intervals that contained no zero \([.05; 16]\), resulting in full mediation for FIT on ERBV via PTP. No support was found for DJ, since confidence intervals contained a zero. Hence, findings for ERBV show a full mediation effect via PTP, but not with the other mediators.
### Table 7.16: Indirect effect via $SE^X_T$ on ERBV with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>DJ(^1)</th>
<th>DJ(^2)</th>
<th>LMX(^1)</th>
<th>LMX(^2)</th>
<th>PTP(^1)</th>
<th>PTP(^2)</th>
<th>ERBV(^1)</th>
<th>ERBV(^2)</th>
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<th>ERBV(^2)</th>
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<td>.19(^**)</td>
<td>.21(^**)</td>
<td>.33(^***)</td>
<td>.33(^***)</td>
<td>.16(^*)</td>
<td>.18(^*)</td>
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<td>.09</td>
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<td>Perceived Talent Practices (PTP)</td>
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<td></td>
<td></td>
<td>.31(^***)</td>
<td>.27(^***)</td>
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<td>Distributive Justice (DJ)</td>
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<td>.05</td>
<td>.04</td>
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<td>.12(^**)</td>
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<th>Est(^2)</th>
<th>ULC(^2)</th>
<th>Sig(^2)</th>
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<td>-.03</td>
<td>.01</td>
<td>.04</td>
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<tr>
<td>Indirect Effect via PTP</td>
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<td>.10</td>
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<td>.09</td>
<td>.14</td>
<td>*</td>
</tr>
<tr>
<td>Indirect Effect via DJ</td>
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<td>-.01</td>
<td>.01</td>
<td>-.04</td>
<td>-.01</td>
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</table>

\( +P \leq 1 \) *\( P \leq .05 \) / **\( P \leq .01 \) / ***\( P \leq .001 \) with control variables / without control variables

- **Conclusions for the Social Exchange Model**

In summary, LMX and PTP are the two elements of $SE^X_T$ that mediated the relationship between FIT and organisation-related outcomes. Mediation effects were supported when they were tested alone and when included together in one model, which offered the opportunity for comparison. Thus it seems that each offers a unique explanation of why FIT is related to these outcomes. DJ did not account for any of the indirect effects when tested by itself nor when tested along with LMX and PTP. Hence, LMX and PTP have stronger explanatory power than DJ, at least for this dataset. Thus, LMX and PTP seem to offer a potential explanation of why employees who are FIT are likely to have higher levels of commitment, are less likely to leave and show extra role behaviours than non-FIT employees.
7.4.2 Which Aspects of Social Cognitive Theory Explains Formally Informed Talent Relationships with Outcomes?

This section repeats the process as above, but with the social cognitive components: self-perceived talent, occupational self-efficacy and organisation-based self-esteem, (see Figure 7.3). First indirect effects are tested for each mediator, then a model with all three mediators is included, followed by conclusions for SCT.

Figure 7.3: SCT Model

7.4.2.1 Self-Perceived Talent

Simple mediation analysis was performed to find out whether employees’ perceptions of themselves account for the relationship between FIT and the four organisation-related outcomes. Results are presented in four tables according to each outcome, with and without control variables.

First, the indirect effect of FIT on AC via SPT as presented in Table (7.17), the estimates are found to be significant without control variables as shown by the bootstrapping confidence intervals that did not contain a zero [.00: .12]; when control variables were added to the model the indirect effect no longer holds (CIs [-.00: .12]). FIT is significantly linked to AC, this relationship still holds when SPT is introduced as a mediator. Thus SPT partly mediates the relationship between FIT and AC when control variables are excluded, supporting hypothesis 7.4a.
Table 7.17: Indirect effect via SPT on AC with and without control variables

<table>
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<tr>
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<th>SPT$^1$</th>
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<th>AC$^1$</th>
<th>AC$^2$</th>
<th>AC$^3$</th>
<th>AC$^4$</th>
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<td>.40***</td>
<td>.28***</td>
<td>.29***</td>
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<td>.23**</td>
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<tr>
<td>Self- Perceived Talent (SPT)</td>
<td></td>
<td></td>
<td>.15</td>
<td>.16</td>
<td></td>
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</tr>
<tr>
<td>$R^2$</td>
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<td>.16***</td>
<td>.09**</td>
<td>.09**</td>
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<th>Sig$^2$</th>
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<td>.12</td>
<td>.00</td>
<td>.06</td>
<td>.12</td>
<td>*</td>
</tr>
</tbody>
</table>

$^*$P ≤ .01 / **P ≤ .05 / ***P ≤ .001 $^1$ with control variables $^2$ without control variables

The indirect effect of FIT on ITL via SPT is presented in Table (7.18) and the estimate is found to be insignificant because confidence intervals contained a zero [-.01: .01]. Thus there is no mediation effect for ITL via SPT and so hypothesis 7.4b is rejected.

Table 7.18: Indirect effect via SPT on ITL with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>SPT$^1$</th>
<th>SPT$^2$</th>
<th>ITL$^1$</th>
<th>ITL$^2$</th>
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<td>-.25**</td>
<td>-.17</td>
<td>-.20**</td>
</tr>
<tr>
<td>Self- Perceived Talent (SPT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-.11</td>
<td>-.12</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.18***</td>
<td>.16***</td>
<td>.08</td>
<td>.06</td>
<td>.09</td>
<td>.07</td>
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</table>

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<th>Est$^2$</th>
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</tbody>
</table>

$^*$P ≤ .01 / **P ≤ .05 / ***P ≤ .001 $^1$ with control variables $^2$ without control variables

The indirect effect of FIT on ERBH via SPT is reported in Table (7.19), and the estimates is found to be significant because the confidence intervals do not contain a zero [.02: .14]. Furthermore, there is a significant positive relationship between SPT and ERBH and an insignificant relationship between FIT and ERBH. The sum of these relationships suggests full mediation for FIT on ERBH via SPT therefore, hypothesis 7.4c is accepted.
Table 7.19: Indirect effect via SPT on ERBH with and without control variables

<table>
<thead>
<tr>
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<th>SPT¹</th>
<th>SPT²</th>
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<th>ERBH²</th>
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<th>ERBH²</th>
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<td>-.00</td>
<td>.01</td>
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<tr>
<td>Self-Perceived Talent (SPT)</td>
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</table>

\[ R^2 \]

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<th>Est²</th>
<th>ULCI²</th>
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<td>*</td>
<td>.02</td>
<td>.08</td>
<td>.14</td>
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</table>

The indirect effect of FIT on ERBV via SPT is presented in Table (7.20), and the estimates is found to be significant because bootstrapping confidence intervals did not contain a zero [.02: .15]. FIT and SPT are significantly linked, as well as SPT and ERBV, while FIT and ERBV are not. Thus, the sum of these relationships indicates a full mediation effect for FIT on ERBV via SPT.

Table 7.20: Indirect effects via SPT on ERBV with and without control variables

<table>
<thead>
<tr>
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<th>SPT¹</th>
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<th>ERBV²</th>
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<td>.08</td>
<td>.10</td>
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<td>Self-Perceived Talent (SPT)</td>
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\[ R^2 \]

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</table>

• Conclusions for SPT

A simple mediation analysis was conducted to test for SPT as a mediator to discover whether employees’ perceptions of both who were FIT and who were not accounted for the employee outcomes. Significant full mediation was found for ERBH and ERBV; employees’ perceptions of themselves as talent accounts for the relationship between FIT, ERBH, and ERBV. However, no support was found with ITL, while there was marginal support for partial mediation with AC when control variables were
Chapter Seven. Study Two Part B Procedures & Findings

excluded from the analysis. Hence, employees’ perceptions are important for outcomes that are linked to ERB, but less important in connection with AC and ITL.

7.4.2.2 Occupational Self-Efficacy

The indirect effect of FIT on AC via OSE is presented in Table (7.21). The estimate is found to be insignificant, as shown by the confidence intervals that contained a zero [-.01: .05]. Thus, no indirect effect occurs via OSE with FIT and AC, so hypothesis 7.5a is rejected.

Table 7.21: Indirect effect via OSE on AC with and without control variables

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<th>OSE(^1)</th>
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<th>AC(^1)</th>
<th>AC(^2)</th>
<th>AC(^1)</th>
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<td>.28(^***)</td>
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<td>.26(^***)</td>
<td>.27(^***)</td>
</tr>
<tr>
<td>Occupational Self-Efficacy (OSE)</td>
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<td>.19(^*)</td>
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\(+P\leq\) \(*P<0.05/ \(**P<0.01/ \(***P\leq0.001 \) with control variables   \(^2\) \) without control variables

The indirect effect of FIT on ITL via OSE is presented in Table (7.22). The estimate is found to be insignificant as shown by the bootstrapping confidence intervals that contained a zero [-.05: .01]. Therefore, hypothesis 7.5b is rejected.

Table 7.22: Indirect effect via OSE on ITL with and without control variables

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<td>-.02</td>
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\(+P\leq\) \(*P<0.05/ \(**P<0.01/ \(***P\leq0.001 \) with control variables   \(^2\) \) without control variables

The indirect effect of FIT on ERBH via OSE is presented in Table (7.23). The results are found to be significant when control variables are excluded from the model, since confidence intervals do not contain a zero [.00; .12]. FIT and OSE are not linked,
while OSE and ERBH are positively related with $p=.000$. Additionally FIT and ERBH are insignificant. Hence, the sum of these findings suggests full mediation between FIT and ERBH via OSE when control variables are excluded, thus supporting hypothesis 7.5c.

Table 7.23: Indirect effect via OSE on ERBH with and without control variables

<table>
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<tr>
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<th>OSE$^1$</th>
<th>OSE$^2$</th>
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<th>ERBH$^2$</th>
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<th>ERBH$^2$</th>
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<td>.14$^*$</td>
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<td>.03</td>
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<td>.45$^{***}$</td>
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<td>.01</td>
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<td>.20$^{***}$</td>
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**Total Indirect Effect**

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<th>Est$^2$</th>
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<th>Sig$^2$</th>
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<td>.06</td>
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</table>

$^{+}P<.10; ^{*}P<.05; ^{**}P<.01; ^{***}P<.001$ with control variables $^2$without control variables

The fourth and last relationship in this model is FIT on ERBV via OSE presented in Table 7.24, and the findings are found to be significant when control variables are excluded with bootstrapping confidence intervals at [.00; -1.2]. While FIT and OSE are insignificantly associated, ERBV and OSE report a positive significant relationship. Thus the sum of these results indicates full mediation for ERBV via OSE when control variables are excluded and so hypothesis 7.5d is accepted.

Table 7.24: Indirect effect via OSE on ERBV with and without control variables

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<th>OSE$^1$</th>
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<th>ERBV$^2$</th>
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</thead>
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**Total Indirect Effect**

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<th>Est$^1$</th>
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<th>Sig$^1$</th>
<th>LLC$^2$</th>
<th>Est$^2$</th>
<th>ULCI$^2$</th>
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<td>.10</td>
<td>.00</td>
<td>.06</td>
<td>.12</td>
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</tbody>
</table>

$^{+}P<.10; ^{*}P<.05; ^{**}P<.01; ^{***}P<.001$ with control variables $^2$without control variables
Conclusions for OSE

Findings for indirect effects via OSE found significant full mediation for ERBH and ERBV when control variables are excluded. However, for AC and ITL the bootstrapping confidence intervals contained a zero and where thus rejected. So employees who are FIT are likely to have higher levels of OSE that account for their positive ERB levels.

7.4.2.3 Organisation-Based Self-Esteem

The indirect effect of FIT on AC via OBSE is presented in Table (7.25), and the estimate is found to be insignificant, as shown by the confidence intervals that contained a zero [-.01: .06]. Thus, hypothesis 7.6a is rejected.

| Table 7.25: Indirect effect via OBSE on AC with and without control variables |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                | OBSE^1 | OBSE^2 | AC^1 | AC^2 | AC^1 | AC^2 |
| Formally Informed Talent       | .15*   | .14*   | .28*** | .29*** | .26*** | .27*** |
| (FIT)                          |        |        |       |       |       |       |
| Organisation-Based Self        | .06*   | .02    | .09*  | .09** | .13** | .12** |
| Esteem (OBSE)                  |        |        |       |       |       |       |
| R^2                            |        |        | .17*  | .18** |       |       |
| Total Indirect Effect          |        |        |       |       |       |       |
| Indirect Effect via OBSE       | LLCI^1 | Est^1  | ULCI^1 | Sig^1 | LLCI^2 | Est^2  | ULCI^2 | Sig^2 |
|                                | -.01   | .05    | .10   | .00   | .06    | .12    |       | *    |

The indirect effect of FIT on ITL via OBSE is presented in Table (7.26), and the estimate is found to be insignificant, as shown by the confidence intervals that contained a zero [-.06: .00]. Thus, hypothesis 7.6b is rejected.
Chapter Seven. Study Two Part B Procedures & Findings

Table 7.26: Indirect effect via OBSE on ITL with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>OBSE¹</th>
<th>OBSE²</th>
<th>ITL¹</th>
<th>ITL²</th>
<th>ITL¹</th>
<th>ITL²</th>
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</thead>
<tbody>
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<td>.14*</td>
<td>-.22**</td>
<td>-.25***</td>
<td>-.19**</td>
<td>-.19**</td>
</tr>
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<td>Organisation Based Self-Esteem (OBSE)</td>
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<td>.02</td>
<td>.08*</td>
<td>.06*</td>
<td>.11*</td>
<td>.09*</td>
</tr>
<tr>
<td>( R^2 )</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Total indirect effect via OBSE

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<th>ULCI¹</th>
<th>Sig¹</th>
<th>LLCI²</th>
<th>Est²</th>
<th>ULCI²</th>
<th>Sig²</th>
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<td>-.03</td>
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</tr>
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</table>

\( +P≤1\*P≤05 / **P≤01/ ***P≤.001 \) with control variables \( ¹ \) without control variable

The indirect effect of FIT on ERBH via OBSE is presented in Table (7.27), and the estimate is found to be insignificant, as shown by the confidence intervals that contained a zero [-.00:.13]. Thus, hypothesis 7.6c is rejected.

Table 7.27: Indirect effect via OBSE on ERBH with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>OBSE¹</th>
<th>OBSE²</th>
<th>ERBH¹</th>
<th>ERBH²</th>
<th>ERBH¹</th>
<th>ERBH²</th>
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</thead>
<tbody>
<tr>
<td>Formally Informed Talent (FIT)</td>
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<td>.14*</td>
<td>.08</td>
<td>.09</td>
<td>.01</td>
<td>.03</td>
</tr>
<tr>
<td>Organisation Based Self-Esteem (OBSE)</td>
<td>.06*</td>
<td>.02</td>
<td>.01</td>
<td>.01</td>
<td>.20***</td>
<td>.20***</td>
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<tr>
<td>( R^2 )</td>
<td></td>
<td></td>
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</tr>
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</table>

Total Indirect Effect via OBSE

<table>
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<tr>
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<th>LLCI¹</th>
<th>Est¹</th>
<th>ULCI¹</th>
<th>Sig¹</th>
<th>LLCI²</th>
<th>Est²</th>
<th>ULCI²</th>
<th>Sig²</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>-.00</td>
<td>.07</td>
<td>.13</td>
<td></td>
</tr>
</tbody>
</table>

\( +P≤1\*P≤05 / **P≤01/ ***P≤.001 \) with control variables \( ¹ \) without control variables

The indirect effect of FIT on ERBV via OBSE is presented in Table (7.28), and the estimate is found to be insignificant, as shown by the confidence intervals that contained a zero [-.00:.11]. Thus, hypothesis 7.6d is rejected.

Table 7.28: Indirect effect via OBSE on ERBV with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>OBSE¹</th>
<th>OBSE²</th>
<th>ERBV¹</th>
<th>ERBV²</th>
<th>ERBV¹</th>
<th>ERBV²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed Talent (FIT)</td>
<td>.15*</td>
<td>.14*</td>
<td>.16*</td>
<td>.18*</td>
<td>.11</td>
<td>.13*</td>
</tr>
<tr>
<td>Organisation Based Self-Esteem (OBSE)</td>
<td>.06*</td>
<td>.02</td>
<td>.04</td>
<td>.03</td>
<td>.17***</td>
<td>.17***</td>
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<tr>
<td>( R^2 )</td>
<td></td>
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Total Indirect Effect via OBSE

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<th>ULCI¹</th>
<th>Sig¹</th>
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<th>Est²</th>
<th>ULCI²</th>
<th>Sig²</th>
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</thead>
<tbody>
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<td>.05</td>
<td>.11</td>
<td></td>
</tr>
</tbody>
</table>

\( +P≤1\*P≤05 / **P≤01/ ***P≤.001 \) with control variables \( ¹ \) without control variables
Conclusions for OBSE

Findings for indirect effects via OBSE found insignificant mediation for all variables when control variables are included and when they are excluded, since the bootstrapping confidence intervals contained a zero.

7.4.2.4 Social Cognitive Theory Model

Following multiple-mediator analysis, the next model examined the effect of SPT, OSE, and OBSE, on employee outcomes in a single model to test for the hypotheses that suggests employees who are FIT will have higher levels of OSE and OBSE and are more likely to perceive themselves as talent. This, in turn, should result in a more positive outcome than with employees who are not FIT. The findings are presented in four tables one for each employee outcome. To ensure brevity, the findings below are limited to an assessment of indirect effects and, if significant, whether the mediation is full or partial.

The indirect effect of FIT on AC via SCT is presented in Table (7.29), and estimate is found to be insignificant for all three mediators, since bootstrapping confidence intervals contained a zero. Thus, AC is insignificantly mediated via the SCT model.

Table 7.29: Indirect effect via SCT on AC with and without control variables

<table>
<thead>
<tr>
<th></th>
<th>SPT 1</th>
<th>SPT 2</th>
<th>OBSE 1</th>
<th>OBSE 2</th>
<th>OSE 1</th>
<th>OSE 2</th>
<th>AC 1</th>
<th>AC 2</th>
<th>AC 1</th>
<th>AC 2</th>
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</thead>
<tbody>
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<td>.52***</td>
<td>.52***</td>
<td>.15*</td>
<td>.14*</td>
<td>.11</td>
<td>.14*</td>
<td>.28***</td>
<td>.29***</td>
<td>.18*</td>
<td>.18*</td>
</tr>
<tr>
<td>Self-Perceived Talent (SPT)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>.15</td>
<td>.17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational Self-Efficacy (OSE)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.13*</td>
<td>.13*</td>
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</tr>
<tr>
<td>Organisation-based Self-Esteem (OBSE)</td>
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<td>.08</td>
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<tr>
<td>$R^2$</td>
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<td>.27***</td>
<td>.06</td>
<td>.02</td>
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<td>.16**</td>
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Total Indirect Effect

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<th>ULCI 1</th>
<th>Sig 1</th>
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<th>Est 2</th>
<th>ULCI 2</th>
<th>Sig 2</th>
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<td>.02</td>
<td>.05</td>
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</tr>
<tr>
<td>Indirect Effect via OBSE</td>
<td>-.02</td>
<td>.01</td>
<td>.04</td>
<td></td>
<td>-.02</td>
<td>.01</td>
<td>.04</td>
<td></td>
</tr>
</tbody>
</table>
The indirect effect of FIT on ITL via SCT is presented in Table (7.30), and the estimate is found to be insignificant for all three mediators, since bootstrapping confidence intervals contained a zero. Thus, ITL is insignificantly mediated via the SCT model.

**Table 7.30: Indirect effect via SCT on ITL with and without control variables**

<table>
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<th></th>
<th>SPT¹</th>
<th>SPT²</th>
<th>OBSE¹</th>
<th>OBSE²</th>
<th>OSE¹</th>
<th>OSE²</th>
<th>ITL¹</th>
<th>ITL²</th>
<th>ITL¹</th>
<th>ITL²</th>
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<td>.52***</td>
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<td>.16⁺</td>
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<td></td>
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<tr>
<td>Occupational Self-Efficacy (OSE)</td>
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<tr>
<td>$R^2$</td>
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<td>.27***</td>
<td>.06</td>
<td>.02</td>
<td>.04</td>
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**Total Indirect Effect**

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<th>ULCI¹</th>
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<th>Est²</th>
<th>ULCI²</th>
<th>Sig²</th>
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<tr>
<td>OBSE</td>
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<td>.01</td>
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<td>-.0</td>
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<tr>
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<td>-.04</td>
<td>-.02</td>
<td>.01</td>
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</tr>
</tbody>
</table>

The indirect effect of FIT on ERBH via SCT is presented in Table (7.31), and the estimate is found to be insignificant for all three mediators, since bootstrapping confidence intervals contained a zero. Thus, SCT does not mediate the relationship between FIT and ERBH.

**Table 7.31: Indirect effect via SCT on ERBH with and without control variables**

<table>
<thead>
<tr>
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<th>SPT¹</th>
<th>SPT²</th>
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<th>OBSE²</th>
<th>OSE¹</th>
<th>OSE²</th>
<th>ERBH¹</th>
<th>ERBH²</th>
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<th>ERBH²</th>
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<tbody>
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<tr>
<td>Self-Perceived Talent (SPT)</td>
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<td></td>
<td>.09</td>
<td>.11</td>
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<tr>
<td>Organisation Based Self-Esteem (OBSE)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>.29***</td>
<td>.29***</td>
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<tr>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
The final outcome for this analysis was ERBV, where a total indirect effect was found for the relationship between FIT and ERBV via OSE when control variables are excluded, as revealed in Table (7.32). The estimate is found to be significant and bootstrapping confidence intervals did not contain a zero [.00; .09]. Nonetheless, SPT and OBSE reported confidence intervals that did contain a zero and so their effects were rejected. This results in a full mediation effect for FIT on ERBV via OSE.

Table 7.32: Indirect effect via SCT on ERBV with and without control variables

<table>
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<tr>
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<th>SPT 1</th>
<th>SPT 2</th>
<th>OBSE 1</th>
<th>OBSE 2</th>
<th>OSE 1</th>
<th>OSE 2</th>
<th>ERBV 1</th>
<th>ERBV 2</th>
<th>ERBV 1</th>
<th>ERBV 2</th>
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</thead>
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<td>.52***</td>
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<td>.14+</td>
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<td>.14+</td>
<td>.16+</td>
<td>.18+</td>
<td>.03</td>
<td>.04</td>
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<td>Self-Perceived Talent (SPT)</td>
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<td></td>
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<td>.14</td>
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<td>.19***</td>
<td>.19***</td>
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</tr>
<tr>
<td>Occupational Self-Efficacy (OSE)</td>
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<td>.35***</td>
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<td>$R^2$</td>
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<td>.02</td>
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Total Indirect Effect

<table>
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<th>ULCI 1</th>
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<td>.09</td>
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<tr>
<td>Indirect effects via OBSE</td>
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<td>.07</td>
<td>-0.01</td>
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<td>.06</td>
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</tr>
</tbody>
</table>

$+P \leq .01$ $*P \leq .05$ $**P \leq .01$ $***P \leq .001$ 1 with control variables 2 without control variables

Conclusions for Social Cognitive Theory

In summary, elements of SCT do not offer a convincing explanation of why FIT is related to the four outcomes investigated. Nevertheless SCT may account for some of the effects of FIT on ERB, since SPT and OSE mediated these relationships. The mediations
that were significant were mostly full rather than partial. None of the variables accounted for ITL. The following section tests for components from both social exchange and social cognitive theories to benchmark the two theories within one analysis and one model.

7.4.3 Which theory best explains employees’ reactions?

A final mediation test involved taking two components from each model and comparing them directly within the same multiple-mediation model. This provides a robust test of the different mechanisms under investigation. This hybrid-model includes LMX, PTP, OSE and OBSE as mediators between FIT and the four organisation-related outcomes (see Figure 7.4). These were selected as mediators because of their representative for each theory they test for, LMX and PTP being under SE\textsuperscript{T} and OSE plus OBSE for SCT. Additionally, two elements of each test different factors; LMX for the relationship between employees and their managers, while PTP could be representative of what the firm invests in these individuals. For SCT although SPT was a stronger mediator; we decided to continue working with OBSE as a mediator because it has stronger theoretical links to SCT. Additionally OSE reflects job role related drivers, whilst OBSE tests for factors occurring at an organisational level and having the two together perhaps serve better to test a fullest picture of the mediation effects of reasons that emerge from the firm and less on individuals perceptions. The model and results are discussed next (see Table 7.33).
Chapter Seven. Study Two Part B Procedures & Findings 282

Figure 7.4: SE*T & SCT Hybrid-Model

Formally Informed as Talent (FIT)

Social-Exchange Outcomes
- Leader-Member Exchange (LMX)
- Perceived Talent Practices (PTP)

Social-Cognitive Outcomes
- Occupational Self-efficacy (OSE)
- Organisation Based self-esteem (OBSE)

Affective Commitment (AC)
- Intention to Leave (ITL)
- Extra Role Behavior ‘Help’ (ERBH)
- Extra Role Behavior “Voice” (ERBV)
<table>
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<tr>
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<th>80</th>
<th>0.3</th>
<th>10^-</th>
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</tr>
</tbody>
</table>

**Table 7.3:** Indirect effects via hybrid model with and without control variables.
The total indirect effect of FIT on AC via LMX, PTP, OSE and OBSE is presented in Table (7.33). Estimates are found to be significant for LMX but not for PTP, OSE and OBSE, as shown by the bootstrapping confidence intervals, where LMX results did not contain a zero [.00:.07] in contrast to PTP, OSE and OBSE. Secondly, FIT and LMX are positively associated with $p=.01$. Thus, these findings indicate a partial mediation effect for FIT on AC via LMX.

Secondly, the total indirect effect for FIT on ITL estimate is found to be significant for LMX and PTP since bootstrapping confidence intervals contained no zero, [-.10: -.01], [-.09: -.00] respectively, see the table above. No significant effects were found for OSE and OBSE because confidence intervals contained a zero. Additionally, LMX and PTP were negatively associated with ITL and so the sum of these results indicates a full mediation effect for FIT on ITL via both LMX and PTP.

Thirdly, the total indirect effect for FIT on ERBH via the hybrid model reported no significant estimates, see Table (7.33), because bootstrapping confidence intervals reported a zero for all mediators.

Finally the total indirect effect for FIT on ERBV shows significant estimates via PTP, LMX and OSE, while OBSE reported insignificant results, Table (7.33), as bootstrapping confidence intervals contained no zero for PTP [.03:.12], LMX [-.08: -.00] and OSE [.03:.11], while OBSE confidence intervals contained a zero. Bringing the findings together, full mediation is found for FIT on ERBV via LMX, PTP and OSE.

- **Conclusions for the Hybrid Model**

Including variables from both social exchange theory and social cognitive theory in the same analysis offers some ideas about which theory might explain employee reactions better. The findings as reported by confidence intervals leans more towards social exchange, where LMX and PTP are more likely to explain
outcomes than the other variables. Second, the nature of mediations was mostly full, except for AC where it was partial via LMX. With regards to SCT variables, OSE seems to better account for employee outcomes and, to a lesser extent, OBSE. This perhaps indicates that some employee outcomes in differentiated TM are primarily driven by the employer-employee exchange relationship, yet other outcomes result from boosting employees’ self-worth.

7.4.4 Does Procedural Justice Influence the Effect of Formally Informed Talent on Employee Outcomes?

The final set of analyses examined procedural justice as a moderator to test for its influence on the relationship between FIT and the outcomes (Figure 7.5). Analyses were performed for each outcome variable individually, once with control variables in the model and second time without them. The findings are presented in table 7.34.

Figure 7.5: PJ as a Moderator:

Procedural justice significantly moderates the relationship between FIT and ERBV. A marginally significant moderating effect was further found in the relationships between FIT and both AC and ERBH. Results are presented in Table (7.34), and where significant and marginal significant relationships occur they are presented graphically next.
Table 7.34: PJ moderation effect results (Standardised)

<table>
<thead>
<tr>
<th></th>
<th>AC¹</th>
<th>AC²</th>
<th>ITL¹</th>
<th>ITL²</th>
<th>ERBH¹</th>
<th>ERBH²</th>
<th>ERBV¹</th>
<th>ERBV²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formally Informed</td>
<td>.35</td>
<td>.40</td>
<td>.39</td>
<td>.39</td>
<td>.16</td>
<td>.25</td>
<td>.44</td>
<td>.51</td>
</tr>
<tr>
<td>as Talent (FIT)</td>
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<td></td>
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<td></td>
<td></td>
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<td>(PJ)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIT*PJ</td>
<td>.27*</td>
<td>.25*</td>
<td>.05</td>
<td>.07</td>
<td>.47*</td>
<td>.46*</td>
<td>.84**</td>
<td>.82**</td>
</tr>
<tr>
<td>R²</td>
<td>.19</td>
<td>.15</td>
<td>.22</td>
<td>.16</td>
<td>.06</td>
<td>.04</td>
<td>.10</td>
<td>.08</td>
</tr>
</tbody>
</table>

*P ≤ 1 *P ≤ 0.05 **P ≤ 0.01 ***P ≤ 0.001 1 with control variables 2 without control variables

Figure (7.6) presents support for hypothesis 7.7a. Under conditions of low PJ the positive relationship between FIT and AC is stronger than when PJ is high. Employees who are not FIT with low PJ report the lowest levels of AC, but when PJ is high, not FIT employees seem to report about the same level of AC as FIT individuals.

Figure 7.6: PJ moderates the relationship between FIT and AC

Figure (7.7) presents support for hypothesis 7.7d. Similarly under conditions of low PJ, there is a positive relationship between FIT and ERBV. But when PJ is high the slope could be interpreted as flat or even negative. This arguably means, when PJ is low we could observe the hypothesised difference between employees who are talent and non-talent. This effect is buffered when PJ is high.
Figure 7.7: PJ moderates the relationship between FIT and ERBV

Figure (7.8) presents a very similar pattern of results to the previous for ERBH. There is a positive relationship between FIT and ERBH when PJ is low. But when PJ is high this relationship is buffered and arguably becomes negative. This once again suggests that when PJ is low we could observe the hypothesised difference between individuals who are talent and those who are not. When PJ is high this difference is not observed, and arguably its non-talent employees who report the greatest ERBH.
• **Conclusion on Moderation Effect**

This section aimed to answer the question of whether PJ influences the effects of talent identification on employee outcomes, hypothesis 7.7. The results reported show support for the influence of PJ in buffering the effect of talent identification on employees who are not identified as talent. As shown by the findings when perception of PJ is low, employees who are not identified as talent report more negative reactions than those who are FIT, in terms of AC and both ERBV and ERBH. However, when PJ is reported to be high, employees not identified as talent report equally as positive outcomes as those who are FIT, and arguably more positive. This suggests that PJ does, indeed, play a role in buffering the effects of differentiated TM.

### 7.5 Conclusions for Study Two Part B

This chapter has presented the results from study two part B. It first explored the role of social exchange theory in accounting for employees’ attitudes and behaviours, via LMX, PTP and DJ. Second, evaluations were undertaken using social
cognitive theory as a mediator, presented by the variables SPT, OSE and OBSE. This was then followed by an examination of a hybrid model that combined elements from both theories LMX and PTP from social exchange theory, and OSE plus OBSE from social cognitive theory.

The findings reported the following: first, in relation to social exchange theory, LMX and PTP were the two variables that mainly accounted for the relationship between FIT and employee outcomes. Secondly, in relation to social cognitive theory, SPT and OSE offered more explanation for employees variation in their responses than did OBSE. Results from the hybrid model leant more towards social exchange theory and to a lesser extent on social cognitive theory. Thus in differentiated TM the exchange power seems to have an exploratory power to explain employee outcomes. Finally with PJ, as predicted, it acts as a moderator which buffers the negative effects experienced by differentiated TM, because the results revealed that under conditions of high PJ, both FIT and not FIT employees reported similar levels of outcomes than when PJ is low.

The next chapter offers a discussion of the findings that have emerged from study one and from both parts of study two. The chapter starts by discussing theoretical contributions of these results, before drawing some practical implications and research conclusions, identifying limitations to the research, and finally proposing avenue for future research.
8 Chapter Eight: Discussion and Conclusions

8.1 Introduction

This chapter aims to present the theoretical and practical implications, which arise from this thesis. It starts by outlining a summary of the findings, followed by a discussion of the theoretical implications of these results, along with the core contributions this research makes to the field. Then some practical recommendations are suggested, followed by consideration of the limitations of both studies one and two. Finally the thesis conclusions are presented.

8.1.1 Summary of the Findings

The general aim of this thesis was to explore the overall concept of TM in the GCC countries and examine the range of employee reactions to a differentiated TM. To achieve this goal two studies were conducted: The first explored managers’ and experts’ perspectives of TM and considered how they identify talent and TM in their bank, using a series of qualitative online open-ended questionnaires and qualitative analysis; First, it was evident that the majority of the sample used a differentiated TM; secondly, participants identified TM practices that were similar to those recognised in Western contexts; third, the results showed that line managers play a significant role in the TM cycle, mainly through talent identification and talent development; finally the conclusions of study one suggest that in the GCC countries, a differentiated TM is viewed in similar way to Western perspectives, nonetheless a number of contextual issues did emerge.
The findings of study one mirrored the TM literature in that participants held different perceptions of the roles played by TM and HRM: they identified TM to be intended for a sub-group of employees, while HRM is targeted at the majority of the workforce. Second with regard to the talent identification process, participants indicted a combination of line managers’ involvement and the use of tools, such as the nine-grid box, as part of the methods used to identify talent. Additionally, in differentiated talent training and development, coaching and mentoring were commonly suggested and were of a similar nature to what is available in differentiated TM Western texts, such as those identified by the CIPD (2006), Stahl et al. (2007), Malik and Singh (2014).

By contrast to Western TM, a number of contextual issues emerged with regard to talent identification with the GCC area; elements such as gender, nationality and tribal affiliation are important factors in identifying talent, and, overall fewer females and non-nationals are nominated as talent, thus talent identification in the region is perhaps more inclined to suffer from biased decisions. And so a differentiated TM may not strictly adhere to more common notions of talent and could potentially be used to mask or legitimise pre-existing discriminations.

Additionally, differentiated TM has been identified in the region as a solution to nationalisation laws that form an external pressure on companies and so the motive for its existence maybe different from those identified by the Western literature (see, Michaels et al., 2001). Thus, differentiated TM does, indeed, have a presence in the GCC banking sector and is largely practiced in similar ways to how it is in a Western-context, nonetheless it has its own contextual drivers and challenges.

The above findings of study one clarified that differentiated TM does exist within the GCC countries and that it merits further examination. The goal of study two was to explore a range of employee reactions to differentiated TM and mechanisms of
why employees vary in their reactions. Nonetheless, before testing for employee reactions, it was essential to explore and analytically differentiate between three sources of talent identification, namely: formally informed as talent (FIT), self-perceived as talent (SPT) and talent development programmes (TDP), (part A, study two). It was evident that the three identification sources, FIT, SPT and TDP, had different characteristics and, accordingly, associated with different sets of outcomes, where FIT and SPT formed the strongest links to employee outcomes and to a lesser extent for TDP.

In part B of study two, utilising social exchange theory (SE\(^x\)T), social cognitive theory (SCT) and organisational justice theory allowed an exploration of a range of possible explanations of why employees may vary in their reactions to differentiated TM. FIT was used to examine employees’ reactions via a social exchange model, then a social cognitive model, followed by a hybrid model and finally testing for PJ moderation effects. The findings show strongest support for a SE\(^x\)T driven model that accounted for the variation between employees’ attitudes to differentiated TM, nonetheless, SCT did find mediation effects that are linked mostly with ERB outcomes. Additionally, the study found support for PJ as significantly moderating the relationship between FIT and employee outcomes. In other words, this thesis suggests that SE\(^x\)T may indeed account for why employees who are identified as talent are more likely to reciprocate positively than non-talent, yet perceptions of PJ could potentially neutralise the negative reactions of non-talent towards a differentiated TM. The theoretical and practical implications of these results are discussed next.
8.2 Theoretical Implications

The following section highlights the core contributions of this thesis, referring back to the findings to explain why they are important. Five contributions are discussed with respect to the following: firstly to the context of the studies, i.e. GCC region; secondly, to the concept of how talent are measured, FIT, SPT and TDP, and their different effects; thirdly, is the tested outcomes a number of which have not yet been examined in the TM field; fourthly to the mechanisms applied in this thesis to better understand why employees react the way they do; and finally to the role of PJ in influencing employees’ perceptions of a differentiated TM.

Core contribution (1): the GCC context

Up until now, most of the studies in TM have been and are still conducted in Anglo-Saxon countries with only a few exceptions (see, Kock & Burke, 2008; Iles et al., 2010; Ali, 2011; Sidani & Al Ariss, 2014). Moreover, the HRM literature that has examined HR practices in the GCC region is limited (e.g. Ali, 1993; Mellahi & Wood, 2001; Harry, 2007; Mellahi, 2007; Metcalfe, 2007; Al Ariss, 2014) and empirical work is even less prevalent (e.g., Afouni et al., 2013; Sidani & Al Ariss, 2014). Thus, this thesis contributes to the literature of the region by conducting a mixed methods research to integrate both managerial and individual perceptions of TM and its implications on employee outcomes. Finally, because the data are based on the banking sector in the GCC area, then the elements of TM tested and their influence on employee outcomes could potentially be generalised to banks of similar nature. Banks in the GCC region are highly Westernised and as found in study one, the concepts of talent and TM are fairly similar to that of definition in Western literature.
Since its emergence and until recently TM literature has been dominated by the American context, then gradually European and other Western contexts have become the focus; nonetheless, few studies have explored TM in non-Western countries. Collings et al. (2011) urged for a move to a non-American examination of TM, and later, Vaiman et al. (2012) stressed the need to test for TM in emerging markets. They explain that emerging markets are of continues development; these countries face challenges such as a high demand for talent, plus difficulty in retaining them. Vaiman et al. advocate that research should take place in a non-Western context, because they reject a best-practice notion, they suggest further exploration of TM to examine the differences that exist between countries, organisations and industries. Additionally, Tansley et al. (2013) suggested the need for future research to address TM in under-explored regions because they postulate that talent and TM do indeed differ based on different geographical areas. Hence, findings from study one of this research contribute to our understanding of TM in an underrepresented context. Study one also sheds light on a dark side of TM that might be found in work settings in Western contexts yet to be studied, namely differentiated TM may be used as a mask for discrimination acts, such as gender bias.

Generally, research in a non-Western context has mostly fallen under the managerialist unitarist views of TM. For instance, Iles et al.’s (2010) research, presented in Chapter Two (section 2.2.6), was conducted in Beijing yet dependent on managerial perspectives of what TM is and its intended outcomes. Additionally, Sidani and Al Ariss (2014) explored how TM was defined and practiced in the GCC context by interviewing managers ‘decision makers’; similarly, Iles et al.’s (2010) and Sidani and Al Ariss’s data depended solely on managers’ views. Although these studies are essential to provide a sense of how TM is implemented, indeed study one
largely replicates their methodological approach, nonetheless, they shed less light on understanding TM’s influence and effectiveness.

This thesis then moves forward to examine individuals’ perceptions from employees in the GCC banking sector. This is important because the few studies that have examined employees’ perceptions have been in a Western environment and thus are difficult to generalise from. For example, Gelens et al. (2014) suggest a wider examination of employees’ views because, while employees’ reactions varied between talent and non-talent in their sample, other cultures might be more accepting of differentiated TM. Briefly, as explained earlier, Gelens and her colleagues base their argument on Hofstede’s (1985) international cultural dimensions and so employees may react differently based on where they stand in each dimension. This thesis therefore adds to the differentiated TM literature by exploring non-Western employees’ responses to it.

**Core contribution (2): Multiple-sources of talent identification**

How and why employees react to differentiated TM is a significant area that up until now has received limited attention. Recently this matter has caught the interest of TM advocates, as discussed earlier with the conceptual review of Thunnissen et al. (2013a; 2013b). They clearly show that employees’ perceptions of TM have been underrepresented in the current literature and thus for TM to move forward, scholars need to address TM effects on multiple levels and beneficiaries, rather than just focus on benefit to employers. Indeed, recently Collings (2014) argued that the failure in the effectiveness of TM to manage talent is partially because its value is limited to shareholder return and thus he urges the need to focus on employees and aligning their goals with those of their employer.
Over the last couple of years, TM scholars have started to examine these elements and extend their interest to understanding employees’ reactions to TM, yet these studies are still limited. What these studies have in common is that they all found that responses toward differentiated TM do vary between talent and non-talent (Björkman et al., 2013; Gelens et al., 2014, 2015; Sonnenberg et al., 2014). Yet, such early research explored TM differently from each other, for instance, these pieces vary in how they conceptualise and measure talent identification (for full details please see Chapter Two, section 2.3). Indeed, before testing for employee responses, this study tried first to distinguish the different sources of talent, to obtain a fuller picture in understanding employees’ reactions to differentiated TM.

In response, this thesis tested a range of employees’ responses to differentiated TM using a three source model of talent identification: formally informed as talent, self perceived as talent and talent development programme. It was proposed that these three sources are different in nature and that this consequently has different effects on employee attitudes. The Findings support these claims. The three sources are conceptually distinct from each other, since employees who are identified as talent from one source are not necessarily identified as talent in another. For example, crosstab tests reported four different groups of employees (FIT*TDP; TDP*SPT; FIT*SPT; FIT*SPT*TDP), indicating that four cases are likely. This implies that, thus far, the differentiated TM literature may have perceived the identification of talent at firms rather simply. As reported in the findings, talent groups are not homogeneous, there might be different talent groups and the differentiated TM literature needs to acknowledge these differences. This suggests a complexity to any understanding of what talent is, and the practices associated with its management. Future TM research needs to differentiate between talent themselves, based on several sources, and not only focus their attention on two groups, either identified as talent or non-talent.
The Concept of Talent

Over the last couple of years, talent identification has been tested empirically from several sources, such as Björkman et al., 2013; Gelens et al., 2014; 2015; and Sonnenberg et al., 2014. However, the issue of variation in sources of talent identification has not received sufficient research attention. More practically, talent identification forms a foundation in TM that, if it is inaccurately implemented, may influence the full TM cycle that follows. Hence, for firms to know how to manage their talent, they ought first to know who their talent are. This thesis offers a comprehensive model that explores the different sources of talent identification and explains their varied effects on employee outcomes.

Different sources of talent identification different effects

The three different sources of talent identification used in thesis related differently to different sets of outcomes. The results found that individuals who are FIT have stronger associations with social exchange outcomes, and are positively linked to both LMX and PTP. Additionally, FIT employees are positively associated with PJ, AC and negatively with ITL. Second, TDP is positively linked to perceptions of organisational justice, PTP and ITL, plus negatively to OBSE. Finally, SPT employees are closer to social cognitive related outcomes, showing positive relationships with OSE and OBSE. Additionally, SPT are found to be linked positively with PTP, AC and ERB outcomes, thus, indicating stronger effects with social cognitive related outcomes than those found for FIT individuals.

These results imply that those are not only different sources of talent identification, but are also linked differently to varied outcomes, however, to date, this has not received attention in the differentiated TM literature. Furthermore, FIT
showed stronger relationships to social exchange outcomes, suggesting support for the exchange relationship; moreover, in talent identification processes, organisational agents ‘line managers’ do play a significant role in the exchange process. The exchange relationship extends to other outcomes where FIT employees show higher levels of attachment to the firm and are less likely to leave. Thus, as generally proposed in the differentiated TM literature, identifying individuals as talent so that they are then managed differently, is likely is likely to be associated with talent to reciprocating positively.

From the three talent identification TDP is associated with the fewest variables, nonetheless, it maintains a strong relationship with organisational justice outcomes. This might be an indication that by providing individuals with more practices, then their levels of DJ are more likely to be high. In addition, the very nature of these programmes is to target highly qualified graduates who undergo a rigorous process of selection and recruitment and this makes them trust in the procedures of talent identification and so they positively associate with PJ. On the other hand, TDP does seem to have rather negative effects, since TDP employees are more likely to leave the organisation than FIT and SPT individuals, as well as showing negative effects with OBSE. This may imply that organisations may be overestimating the return of TDP, as suggested, for example, by TM best practice in Stahl et al. (2007) and Ready and Conger (2007) plus findings from study one. This is further supported from Gelens et al.’s (2015) results in their second study, which reported that employees who were identified before joining the firm were insignificantly associated with AC. Thus identifying talent before joining the firm might have more negative effects than positive ones.
Additionally, results indicate that SPT may play an important role in enhancing employees’ social cognitive outcomes as well as ERB outcomes. First these positive relationships imply the importance of considering employees’ own perceptions of their self and how these may positively influence their attitudes regardless of the firm. Second, the current findings support the results obtained by both Björkman et al. (2013) and Sonnenberg et al. (2014), namely that most of the time, employees’ perceptions differ from those of their employers, thus differentiated TM researchers may need to explore how to best utilise employees’ positive SPT helps to lead to more effective TM. Nonetheless, the variation in results for the three different sources of talent identification may be driven by several reasons, but generally the findings revealed that differentiation mainly in identification of talent does have an influence on positive employee outcomes, as have been proposed theoretically (see Collings & Mellahi, 2009).

- **Extension to incongruence in talent-perception research**

As a final point with respect to the distinction of different talent identification sources, this thesis has challenged the notion of talent-perception incongruence proposed by Sonnenberg et al. (2014). For this data, results do not support any incongruence effects. Interactions were examined between pairs of talent sources and then interactions with all three sources, and nearly all reported insignificant findings.

This could be explained by the availability of talent identification information, building on fairness heuristic theory *FHT* (Van den Vermunt & Wilke, 1997), which suggests that individuals activate a heuristic fairness perception, which is the psychological element of justice, when they are faced with limited information. FHT suggests that individuals will use all the available information to guide their judgement perceptions and is key to determine an individual’s behaviour in an
organisation when faced with exploitation or loss of identity, and so FHT relates to group identification. Additionally the theory posits that the timing of information is crucial in determining the fairness judgement established by individuals. Van den Vermunt and Wilke (1997) argue for the primacy effect or substitutability effect, meaning that the interpretation of information relevant to justice perceptions formed at an early time could modify the interpretation of another justice type at a second time. For example, they found that employees early perceptions of perceived DJ diminish the effect of PJ interpretation that comes next i.e DJ substitute PJ.

Accordingly, building from FHT and the notion of primacy effect, talent may have formed a perception of being identified as talent in one source, but are not identified in another, thus their first perception, or the one that suits them better, guides their behaviour in the firm. For example, individuals who perceive themselves as talent before joining the firm may act accordingly, regardless of whether they are formally informed by their managers that they are talent or not. Additionally, individuals may perceive themselves as talent and act accordingly because they wish to be part of that group and thus this desire has a positive influence on their behaviours. In other words, talent information could be characterised as substitutable, with the focus falling on the earliest or most favourable sources, where it becomes the driver to employees’ behaviours, thus rendering talent-perception incongruence an insignificant factor in employees’ behaviours and outcomes.

The insignificant effect of incongruence may also be related to contextual or cultural features. From an individual’s perspective, employees’ who perceive themselves as talent might attribute their perception to elements such as tribe or gender, making them less concerned about their employer’s identification of them. Thus the way they view themselves, be it matching or differing from their employer is less likely to influence their behaviours. From an employer’s view, the management
style in the GCC region is generally perceived as authoritarian or Sheocaricy (Ali, 1990), such that individuals who are higher in status expect complete obedience and trust for the decisions they take. Thus even if individuals self-perceive themselves as talent, they trust in the firm’s rating and act accordingly. Nonetheless, further investigations would be useful to examine this in more details.

Building on the above discussions, sources of talent identification are indeed distinct and have different effects. Additionally, by challenging the notion of talent-perception incongruence, its insignificance may add to the idea that talent identification and TM are of contingent natures and thus may differ from one organisation to another or one context to another. Sonnenberg et al.’s (2014) research found incongruence to be significant, mediating the relationship between perceived talent practices and outcomes, while in this thesis, no support was found. Hence, future research could be helpful to better explore the influence of talent-perception incongruence on employee outcomes.

Core Contribution (3): Employee outcomes

This thesis contributes to current differentiated TM literature by expanding the nomological networks of differentiated TM, through testing four different sets of outcomes. Over the last couple of years differentiated TM has experienced a growth in interest in empirically testing its effects on employee outcomes. In 2013 Björkman et al. explored five outcomes of being identified as a talent: acceptance of increasing performance demands; commitment to building competencies; support for strategic priorities; identification with the MNE and turnover intentions. Later, Gelens et al. (2014) considered work effort and job satisfaction as employee outcomes of being identified as talent. Sonnenberg et al. (2014) examined psychological contract fulfilment as an outcome of perceived talent practices that acts as an indication of
being identified as talent. This was followed by Gelens et al. (2015) who investigated affective commitment as an outcome. Nonetheless, propositions by many differentiated TM advocates suggest several other outcomes that may be of importance in the implications of differentiated TM. For instance, one of the seminal papers in the field, Collings and Mellahi (2009), proposes extra-role behaviours as one of the potential employee outcomes of TM that is likely to increase employee performance and consequently organisational performance. However this study is one of the first studies to empirically investigate ERB. Additionally, Boudreau and Ramstad (2007) argue that discretionary behaviours perhaps form a potential measure of TM effectiveness, and thus extra-role behaviours (help and voice) are two significant outcomes in differentiated TM.

Moreover, this thesis adds to the current differentiated TM literature by extending and testing for significant outcomes that were previously untested. The notion of social exchange, for example, has been proposed as a possible theory to explain why individuals who are identified as talent are more likely to show positive outcomes (Gelens et al., 2014; Björkman et al., 2013), yet, to date, no study has empirically tested for social exchange related outcomes, with the exception of Gelens et al. (2015) who applied POS as a mediator, (see Chapter Two, section 2.3.4). The current thesis tests the association between talent identification and LMX to empirically support the social exchange propositions. Further, the relationship between talent identification and PTP as an outcome is part of an exchange association, since the conventional argument about differentiated TM is based on the premise that talent receive more. Nonetheless, only limited confirmation of such a proposition has been tested in the differentiated TM literature from the employees’ perspective.
In addition social cognitive theory has received little if any attention with regard to its potential role in explaining employee responses to TM, see for instance the latest review by (Gallardo- Gallardo et al., 2015). By including OSE and OBSE as potential outcomes, this thesis adds new arenas for the differentiated TM literature to explore, examining how differentiated TM influences employees and why. SCT suggests that employees are likely to act as they are treated and so, in short, by identifying employees as either talent or non-talent, employees are likely to act in a way that matches their identification. OSE tested for the influence of the jobs individuals perform, while OBSE investigated elements derived from the firm, as presented in Chapters Six and Seven. SCT was more linked with SPT as a talent source than FIT and TDP.

*Core contribution (4): Differentiated talent management mechanisms*

In line with the few recent studies that have examined employees’ responses to differentiated TM, limited explanations have been offered or tested to account for why employees respond the way they do (e.g Gelens et al., 2014; 2015). Collings (2014) urges multiple views to better understand TM and its effects on behaviours. The early TM literature advocates drew on existing HRM literature, building on theories of RBV and HR architecture to account for the predicted effect of TM on organisational performance (Lewis & Heckman, 2006; Collings & Mellahi, 2009). Nonetheless, this offered little in the way of explaining TM’s effect on employees’ attitudes and behaviours. In such early TM literature, theories such as the resource-based view and the HR architecture approach (Barney, 1991; Lepak & Snell, 1999) were utilised to make propositions about the likely effects of TM on organisational performance. It is only recently that conceptual and research papers have proposed social exchange and perceptions of organisational justice as potential theories to explain differentiated TM
effects on employees (see Gelens et al., 2013; Björkman et al., 2013). Nonetheless, up until now such concepts have received limited empirical investigation (Gallardo-Gallardo et al., 2015).

As a response to the demand for theories that test for TM effectiveness at the individual level, this thesis offers a potential explanation of why differentiated TM might have the effects it does on employees, by drawing on theories of social exchange (Blau, 1964) social cognitive (Bandura, 1982) and organisational justice (Greenberg, 1990). Findings presented here provide support for employees’ reciprocation, in line with social exchange notions. Employees’ identification as talent is associated with the amount of perceived talent practices they receive and a higher quality of relationship with their direct leaders than non-talent, which then mediates the effect on employee outcomes. Thus, by identifying employees as talent and providing them with high quality management and more practices they are likely to be more attached to the firm, less likely to leave and willing to show greater extra-role performance levels.

The findings of this thesis support the notion of reciprocation, as tested using LMX, PTP and DJ to mediate the relationship between FIT and outcomes. LMX offered a better explanation for outcomes where it partly mediated the relationship between FIT and AC, as well as FIT negatively with ITL. Full mediations occurred for ERBH outcomes. In support for the exchange relationship, when employees are FIT they are likely to have better quality relationships with their managers and receive more practices than when they are not FIT and thus mediating the relationship between FIT and employee outcomes. Additionally, individuals who are FIT are offered more practices that positively mediate the relationship between employees who are FIT and their outcomes. By contrast, no mediation effects were found for DJ.
The insignificant mediation effects of DJ might have occurred for several reasons. First, the type of outcomes tested for lean more in favour of the organisation and less for employees and thus might be more linked to PJ than DJ, in a similar way to what Gelens et al. (2014) found. Second, the label itself (FIT or not FIT) might have no influence on DJ, but what may have an influence is rather what the identification brings with it. For this reason, PTP and LMX significantly mediate the relationship between FIT and employee outcomes. This perhaps supports why talent identification in Björkman et al. (2013) resulted in positive outcomes. To this end we can be confident that by giving talent more practices and managerial support, they are likely to exchange positively with their employers.

Furthermore, this thesis extends the present available explanation of talent effects by proposing a social cognitive theory driven model. Differentiated TM can help to increase employees’ levels of self-worth when identifying individuals as talent and so talent are likely to act in accordance with their identification, and the opposite for non-talent. Indeed, SCT as mediation involves SPT, OSE and OBSE, where the findings show support for OSE and SPT, and to a lesser extent for OBSE. Results suggest that individuals who are FIT are likely to show higher levels of SPT, thus mediating the relationship between FIT and employee outcomes, with exception to ITL. Additionally, employees who are FIT reveal higher levels of OSE, positively mediating the outcome ERB. Overall, this implies that a SCT model is more likely to account for ERB outcomes and less for employees’ attachment to the firm. Thus far, SCT has received no empirical investigation in the differentiated TM literature and so further tests are perhaps useful.

Hybrid models of both theories support SE*T, where the exchange variables LMX and PTP account for outcomes other than that of social cognitive OSE and OBSE. This offers more support for differentiated TM propositions where it generally
justifies the use of a differentiated approach and the notion of reciprocation from talent. In other words, employees who are FIT are likely to exchange positively in this thesis, exchange involves higher levels of attachment and increased discretionary behaviours.

This thesis utilises the social exchange concept, organisational justice and extend the current suggestions in the literature by testing social cognitive theory. In so doing, this thesis broadens the scope of what theories might explain why it is claimed that a differentiated TM exerts a positive influence on employees who are identified as talent.

Contribution (5): Procedural Justice Buffering effect in differentiated TM

Identifying a small number of individuals as talent, while the rest are considered non-talent has consequences on the entire workforce (Collings, 2014; Malik & Singh, 2014). Some argue that differentiated TM is clearly unfair and advise that organisations could potentially utilise employees’ perceptions of how fair differentiated TM is to serve as a signal to the firm of its effective application of differentiated TM (Minbaeva & Collings, 2013). In line with this argument, as well as advocates of a more just differentiated TM such as Swails (2013) and Gelens et al. (2013), this thesis tested for the moderation effects of PJ and how it may assist differentiated TM to neutralise its negative effects on non-talent. The results imply that when differentiated TM is perceived as procedurally just, employees’ reactions, both FIT and non-FIT, are similar, in contrast to when differentiated TM is perceived as procedurally unjust. Hence, this indicates that transparency in differentiated TM may increase employees’ levels of acceptance of differentiated TM and view it as fair.

Indeed, PJ plays a significant role in how employees reach decisions about how fair or not their firm is. Van Den Bos argues that several organisational justice
researchers have concluded that procedural fairness could be more important to individuals than distributive justice in shaping their decisions of fairness perceptions. He proposes the fair process effect and suggests how it may positively influence several important outcomes, such as increased commitment and extra-role citizenship behaviour. He argues that the fair process effect occurs more often in situations where individuals have insufficient information to form a fairness perception of their organisation in relation to their outcomes. Thus, to ensure individuals have more positive results when forming process effect, having clearer information or procedures is likely to play an important role.

Building on the above argument, and as discussed in Chapter Three, section 3.5.3.2 the recommendations of Leventhal (1980) and Gelens et al. (2013) for a transparent differentiated TM with increased communication with both talent and non-talent may neutralise the effects of a differentiated approach. In having clearer information about talent identification and the unequal resource allocation that follows, employees are likely to be able to anticipate their future outcomes and thus adhere to the rules of reaching higher levels of PJ and the likelihood of employees accepting a differentiated TM system. Additionally, firms could potentially integrate talent identification into performance appraisals, to allow them to evaluate and provide feedback on employees’ current status. Thus, by engaging employees in the process of differentiated TM and managing their expectations, how they rate themselves offers increased levels of clarity that eventually help to improve fairness perceptions and thus reduce the negative effects of differentiated TM on non-talent.

In support of Gelens et al.’s (2013) propositions and, later, their examination of PJ as a buffering effect on the negative response of non-talent, this thesis builds and adds to their work. First this thesis arrives to similar results with respect to the influence of PJ on employee outcomes but in a different context and this could be
viewed as strengthening the role of PJ in buffering the differentiation effect. Additionally because the findings presented here support Gelens et al.’s (2014) results, this increases our confidence levels to the generalisability of this study.
8.3 Practical Implications

A number of recommendations from the current thesis can be suggested to bank managers in the GCC countries, and, more broadly, to firms with a differentiated TM system in place. First, managers should take into consideration the complex nature of talent identification. Managers should aim to utilise both managerial cognition judgements as well as tools to ensure higher levels of accuracy. It also might be helpful to let talent know of their identification, since so doing linked to positive employee reactions, such as their attachment to the firm and being less likely to leave. Additionally, it might be important to consider employees own perceptions of their talent, as this could explain some of their attitudes, such as variation in their discretionary behaviours.

Second, the process of differentiated TM is supported by the notion of reciprocation, such that once talent are identified, the firm needs to maintain its promises and build trust to ensure a positive reaction from their talent. Line managers are a crucial element of the differentiated TM cycle and in building trust with employees, and so companies might use guidelines and motivational strategies for managers to nominate and manage talent sufficiently.

A third suggestion could be linked to the job or the firm where it applies differentiated TM, special attention should be paid to creating an environment where individuals’ levels of efficacy are stimulated so that individuals act accordingly. In other words, following Bandura (1982), determinants of what may increase individuals’ levels of self-worth could be through providing employees with feedback, motivational and positive encouragement, and additionally, a challenging job. Findings indicate that individuals who are SPT are likely to have positive outcomes, and thus being aware of how individuals view themselves may offer added value in determining who is likely or not to show positive outcomes.
Finally, it is worth managers considering procedural transparency in differentiated TM. Awareness of why and how the few individuals who are considered talent are managed differently is likely to increase the acceptance of such unfair management by both talent and non-talent. Integrating talent reviews with performance appraisals for employees could increase transparency as to why some individuals are identified as talent and others are not. In addition, this could help to engage employees in the identification process, where they feel that their voices are heard so they feel more engaged in decision-making. Additionally, communication between organisational agents (line managers and supervisors) and their employees could help to initiate a more transparent differentiated TM system.

8.4 Research Limitations

In scientific research, one aims for an ideal execution of research design and implementation. However, limitations are inevitable. This section discusses the limitations identified for both study one and study two, separately.

8.4.1 Study One Limitations

For study one face-to-face interviews could have added richer information to the dataset. Originally, the intention behind study one was to contact face-to-face interviews, however, after the pilot study, issues emerged which questioned the reliability of the data. It was suspected that in interviews participants were more prone to provide falsified information along with exaggeration of their roles. This might have been due to the fact that the researcher is female and the majority of the participants were male, and so to get participants involved in a dialogue to provide accurate information of differentiated TM practices was challenging and could not be met. The use of open-ended questionnaires facilitated a distance between participants
and the researcher allowing them more time and space to provide rich and more accurate responses.

Secondly, it would have been helpful to collect more supporting documents that are actually used by participants for differentiated TM in their banks. However because, generally TM is perceived as a sensitive topic, many organisations held the view that such information should not be shared externally. Additionally the culture of the GCC countries, whereby they follow an old-fashioned style of management style, tend to treat any information related to their firm as classified (Mellahi, 2007). Thus a combination of obtaining TM data from one of the largest banks in the sample, and then finding further supporting evidence through websites, attending career fairs, and searching local media, assisted in establishing a general understanding.

Thirdly, it would have been useful to interview multiple individuals from the same organisation to investigate consensus with regard to what TM practices occur at the bank. Yet, as mentioned above, the topic is of a sensitive nature, and managers were generally reluctant to provide information of how and why they do the things they do. Thus, when information was too brief, or when managers were less cooperative, a follow up phone interview took place. Additionally, in a few cases, more than one interview took place. Doing so assisted in increasing the level of the data’s trustworthiness.

Finally, although the GCC is formed of six countries, only, four out of the six participated in study one. In Qatar, managers did not respond to emails or phone calls and a lack of personal connections in that country were the main reasons for this. As suggested by Zahra (2011), personal points of contact play a significant role in finding participants in the Middle East. Second, Bahrain was also not included in study one because the region was going through political unrest, and so communication relating to research was inappropriate. Nonetheless, studies that take place in one or more of
the GCC countries are sometimes referred to as encompassing all of the GCC countries due to the strong similarities between the six countries (for example, Forstenlechner, 2010). Thus although study one only managed to collect data from four out of the six countries, it is safe to refer to it as representing the GCC area as a whole.

8.4.2 Study Two Limitations

First, because of the sampling approach used in this study, it was impossible to calculate the response rate. This was because, no access could be obtained via the banks themselves, and thus a clear response rate could not be obtained. This might be due to the discreet approach firms apply to differentiated TM, making them reluctant to share surveys with their employees. Thus, alternative measures were implemented to ensure that the survey reached employees working at the banks under study. The dataset for this study has proved to be sufficient for testing the proposed model. As with study one, Bahrain and Qatar were not included in study two; Oman was also excluded because no evidence was found for formal differentiated TM in place in banks there. Thus, it is difficult to make strong claims of how representative the sample is.

Secondly, this study is cross-sectional and therefore it is not possible to infer causality. Part of this study examined employees’ identification as FIT, SPT and TDP and their association to employee outcomes. For each, those identified as talent were more likely to have positive outcomes than those who were not. Björkman et al. (2013), among others, question whether there maybe a causal association here such employees who have positive employee outcomes were accordingly identified as talent. In this study, TDP were identified before they join
the bank, and thus, for this dimension at least a reverse causality is perhaps less likely.

The other two dimensions could have been examined to assess what comes first, by means of a longitudinal study, however, this was not an option for this research because of the time constraints of a PhD. Other potential studies could follow the same individuals when they are first enrolled on a TDP and trace their fast track development to better understand employees’ perceptions towards TM and its causal and temporal influence on employee outcomes. Experimental studies could be a potential avenue to examine the effects of talent identification. Clearly there is more work to do to untangle the causal effects in these relationships.

Thirdly, study two collected single source data for both independent and dependent variables. This may be unproblematic for FIT and TDP but could perhaps have an influence for SPT. For TDP, banks were asked to provide information about the available TDP programmes they have and thus participants began their survey by selecting what bank they were part of and were then directed to the follow up question concerning the name of the programme. FIT participants stemmed from study one data that explicitly stated whether participants were informed by their line managers if they were talent. However, for SPT the definition provided emerged from the talent literature and so other factors might have interfered.

An alternative strategy could have been developed for TDP and FIT, for instance to request contact details of employees who are in TDP and employees who are FIT. A survey could be created with two links to be sent to both groups separately, and the outcome of each could be compared, as conducted by Gelens et al. (2014). Nonetheless, it was difficult to access the names of the TDP and often employee
information about who was talent was perceived as company information and potentially damaging if it were to be shared or known by an external individual. Nonetheless, statistical tests were performed and the results confirm that the data are adequate and show a level of credibility and validity levels.

Fourthly, the study could have been improved if performance measures had been obtained as well as turnover rates, rather than just ITL. Such data would have provided objective outcomes and a stronger test of TM assumptions yet, the GCC culture, following a highly classified strategy of information sharing, makes it difficult to access performance indicators from the banks studied. In addition, ensuring anonymity of participants was useful in generating responses and so obtaining turnover rates may not have been viable, since it may have decrease the number of responses. Finally, DJ showed low levels of reliability, despite statistical measures being taken to increase its level, nonetheless, it had marginal change.

8.5 Research Conclusions

This thesis has attempted to explore TM in the GCC areas banking sector; more precisely, the aim has been to test employee reactions to differentiated TM and examine why they vary across individuals. In brief, differentiated TM advocates have stressed, mainly theoretically, the positive influence differentiated TM might have on employees and, consequently organisations, however, to date, empirical evidence has revealed different findings.

This might be because most of the TM literature has been theoretical and focus on the interest of employers and the organisational perspective, and very little research has been conducted on the perspective of employees. Such a unitarist and managerialist approach has resulted in explanations of the effect differentiated TM has on employers and those who are designated as talent, however, the effects of
differentiated TM on the rest of the workforce has been absent. From such a standpoint, differentiated TM seems to be worthwhile for firms and thus the literature theoretically suggests a logical approach for firms to follow when considering differentiated TM.

Secondly, talent identification has been approached rather simply when considering the outcomes of TM, in that individuals are either identified as talent or not but in practice identification is far more complex. For instance, the four empirical studies presented in Chapter Two, investigating employee reactions tested different sources of talent identification. Although the dominant view is talent as identified by the firm nonetheless how or when this identification occurs is still unclear and does not seem to be a concern for talent identification. Additionally, employees’ own perceptions of whether they consider themselves to be talent has received limited attention. Employees’ self-image could be a driver to positive employee outcomes, or, alternatively, a hurdle. In this thesis, SPT was tested as a mediator between talent identification and outcomes. The results show that SPT is associated with employee outcomes and thus further investigation of SPT might be useful to explain why, theoretically, differentiated TM has been proposed to have more positive influence than the empirical studies suggest.

Thirdly, the conceptual differentiated TM literature, employees are categorised as either A players (i.e talent) or as B players (the rest of the workforce) (Malik & Singh, 2014). Based on social cognitive theory, employees are likely to behave according to what they think is expected from them, so those A and B employees are likely to act based on the category they are in. Indeed, in this thesis, a model of SCT was tested and the results are presented in Chapter Seven. If differentiated TM only influences the top few employees, then one missing element from theoretical conceptualisations of talent is that negative employee reactions by those who are non-
talent are aggregated in levels that outweigh the positive influences of differentiated TM, and thus, in research, the positive impact of differentiated TM is not as strong as suggested by the theoretical literature.

Finally it is perhaps useful to use differentiated talent management (DTM), than talent management (TM). Since its emergence TM stressed the need to differentiate between employees those who are talent and those who are non-talent, where differentiates was stated as key feature of TM (see for example Collings & Mellahi, 2009) and thus using DTM might be helpful to shift away from any misperception of what TM is and might help stress the differentiation that TM proposes.
9 Reference list


References


10 Appendices

10.1 Information Sheet:

INFORMATION SHEET FOR PARTICIPANTS

REC Reference Number: REP (EM)/10/11-80

Exploring Talent Management in the GCC.

We would like to invite you to participate in this postgraduate research project. You should only participate if you want to; choosing not to take part will not disadvantage you in any way. Before you decide whether you want to take part, it is important for you to understand why the research is being done and what your participation will involve. Please take time to read the following information carefully and discuss it with others if you wish. Ask us if there is anything that is not clear or if you would like more information.

The current study is designed to explore Talent Management in the GCC banking sector. In particular, it investigates to what extent talent management practices are implemented within the commercial and retail banking sector in GCC countries; examines if the banks differ in the ways they use talent management practices and if so why these differences occur between the banks in the region; finally the study will collect the views of decision-makers at banks and experts in the region on the future direction of talent management within the region.

Participants in this research will be people who are in decision-making positions in terms of the banks’ human capital and human resource experts of GCC.

If you choose to take part you will be asked to complete a set of open questions regarding your views and interpretations of talent management in your bank. You will need to answer the questions at your convenience within the next 3 weeks. After that we would like to schedule a 10-15 minutes phone call interview at a convenient time, to follow up any important issues. If you wish to take part in the phone interviews then kindly fill in the contact details part at the end of the questionnaires. Submission of a completed questionnaire by email implies consent to participate in the questionnaire part of the research.

It is up to you to decide whether to take part or not. If you decide to take part you are still free to withdraw and without giving a reason up until November 2011, when the report will be written. Your confidentiality will be ensured at all times, the researcher will not share with anyone your actual answers to any questions asked and neither your name nor your organisation's will be identified in any publication produced from the research. Information collected for the purpose of the study will be held for 5 years to allow for the completion of a PhD thesis and academic publications.

There should be no risks or adverse effects for you in participating. Participation in the study may make you more aware of the implications of talent management in the region. At the end of the study you will be able to receive a management report of the results, should you wish.

All data collected will be used and stored in compliance with the UK Data Protection Act 1998.

Name and contact details of the researcher:

Name of the researcher: Lamees Al Haidari.
Researcher E-mail: Lamees.alhaidari@kcl.ac.uk

If this study has harmed you in any way you can contact King’s College London using the details below for further advice and information:
Name of Supervisor: Dr Michael Clinton.
Supervisor E-mail: Michael.Clinton@kcl.ac.uk
10.2 Study One Consent form

CONSENT FORM FOR PARTICIPANTS IN RESEARCH STUDIES

Please complete this form after you have read the Information Sheet and received an explanation of the research.

Title of Study: Exploring Talent Management in the GCC

King’s College Research Ethics Committee Ref: ________________

Thank you for considering taking part in this research. The person organising the research must explain the project to you before you agree to take part. If you have any questions arising from the Information Sheet or explanation already given to you, please ask the researcher before you decide whether to participate. You will be given a copy of this Consent Form to keep and refer to at any time. The information that you will be submitting will be published as a report and you will be sent a copy. Please note that confidentiality and anonymity will be maintained and it will not be possible to identify you from any publications.

Please tick or initial

I understand that up to October 2011, if I decide that I no longer wish to participate in this project, I can notify the researchers involved and withdraw from it immediately without giving any reason.  
Furthermore, I understand that I will be able to withdraw my data up to October 2011.  
I consent to the processing of my personal information for the purposes explained to me. I understand that such information will be handled in accordance with the terms of the Data Protection Act 1998.

Participant’s Statement:

I ______________________ agree that the research project named above has been explained to me to my satisfaction and I agree to take part in the study. I have read both the notes written above and the Information Sheet about the project, and understand what the research study involves.

Signed __________________ Date __________________
10.3 Study One Questionnaires

- This study attempts to explore talent management in the GCC countries,
- Please answer the following 11 questions according to your experience in this field.
- Your responses are strictly confidential and will be combined with data from other sources. No individual or company names will be identified.
- The survey should take about 10-15 minutes to complete

1- What does the term “talent management” mean to you?

2- In your opinion do you think talent management differs from human resource management? Please explain why you think this

3- What practices does your bank use in order to meet its demand for workers? Does your bank have any views on employing nationals?
4- What practices does your bank use in order to develop talent? How does your bank ensure the implementation of these talent development practices?

5- How do the banks identify their valuable and unique employees across the different levels of the bank?

6- What steps/models do the banks follow in order to retain high-value employees?

7- Who do you think gets involved in the process of talent management within banks in the region?

- Additional Information:
  - Nationality:
  - Years of experience in the field:

THANK YOU FOR YOUR TIME AND CONTRIBUTION.