Kajsa Asplund

PUTTING ON THE TALENT HAT

AN IDENTIFICATION PERSPECTIVE ON EMPLOYEE DIFFERENTIATION

STOCKHOLM SCHOOL OF ECONOMICS

PUTTING ON THE TALENT HAT

This thesis investigates the effects of employee differentiation practices, specifically talent management and performance appraisal, on employees. More precisely, it examines how employees' self-images are affected by, and shape the influence of, differentiation. While especially talent management has gained increasing spread in organizations over the last decade, research on how it affects employees has been scarce. Existing studies have tended to adopt a social exchange perspective, focusing on the concrete resources allotted to employees through differentiation. This dissertation contributes to the literature by focusing instead on the symbolic effects of these practices.

The thesis reports findings from four empirical articles, comprising a qualitative interview study and a quantitative survey study. The findings indicate that differentiation influences identification with the organization and management function, and that this in turn is related to behavioral outcomes. Results also indicate that professional identification moderates the impact of performance ratings and talent designations, and hence may constitute an important boundary condition for effective differentiation. These results point to the importance of taking employees' self-images into account when implementing differentiation. The thesis also highlights the potential difficulties of implementing conventional employee differentiation in context characterized by strong professional self-images.

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ISBN 978-91-7731-090-7

DOCTORAL DISSERTATION IN BUSINESS ADMINISTRATION
STOCKHOLM SCHOOL OF ECONOMICS, SWEDEN 2018

Putting on the Talent Hat

An Identification Perspective on Employee Differentiation

Kajsa Asplund

Akademisk avhandling

som för avläggande av ekonomie doktorsexamen
vid Handelshögskolan i Stockholm
framläggs för offentlig granskning
fredagen den 28 september 2018, kl 13.15,
sal Ragnar, Handelshögskolan,
Sveavägen 65, Stockholm

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Dissertation for the Degree of Doctor of Philosophy, Ph.D., in Business Administration
Stockholm School of Economics, 2018

Putting on the talent hat: An identification perspective on employee differentiation

ISBN 978-91-7731-090-7 (printed)
ISBN 978-91-7731-091-4 (pdf)

Front cover illustration:
© Frankie's/Shutterstock.com

Back cover photo:
Juliana Wiklund, 2016

Printed by:
Brand Factory, Gothenburg, 2018

Keywords:
Talent management, performance appraisal, employee differentiation, multiple identifications, social identity theory

Foreword

This volume is the result of a research project carried out at the Department of Management and Organization at the Stockholm School of Economics (SSE).

This volume is submitted as a doctoral thesis at SSE. In keeping with the policies of SSE, the author has been entirely free to conduct and present her research in the manner of her choosing as an expression of her own ideas.

SSE is grateful for the financial support provided by Jan Wallander och Tom Hedelius Stiftelse and Tore Browalds Stiftelse which have made it possible to carry out the project.

Göran Lindqvist

Director of Research
Stockholm School of Economics

Andreas Werr

Professor and Head of the
Department of Management and
Organization

Acknowledgements

Serendipity as a concept sparks suspicion in the scientific mind. Trained as we are in the spirit of critical thinking and empirical testing, the notion of meaningful coincidence rings whimsical. Believing in serendipity as a researcher, some would say, verges on blasphemy.

And yet, I cannot help but think it was serendipity that brought me to Stockholm School of Economics. The newly graduated psychologist that I was at that time was longing for a pursuit that would let me satisfy my curiosity about organizational behavior. A well-timed advertisement – in a magazine I normally never read – paved the way to the fascinating world of management research and the topic of talent management. It is safe to say that this lucky coincidence has had a vast impact on my professional life.

An even greater source of luck, however, is having people around you who make the journey possible. It is sometimes said that it takes a village to raise a child, but I am inclined to believe it takes at least as many people to make a Doctor of Philosophy.

I begin by thanking Jan Wallanders och Tom Hedelius Stiftelse and Tore Browalds Stiftelse for the funding that enabled this research.

To Andreas Werr, my primary supervisor. Thank you for your support and invaluable advice throughout this endeavor. But most of all, thank you for having the open-mindedness to take a chance on a quant-trained psychologist who was certainly an original choice for this PhD position.

To Pernilla Bolander, my co-supervisor and partner in crime on so many fascinating data collections. Thank you for teaching me how to become a better interviewer, and for opening up my eyes to the meaningful wholes beyond easily quantifiable variables.

To Wajda Wikhamn, co-supervisor and savior in all matters quantitative. Those days in your Gothenburg office, as well as our Skype calls, have been priceless for both my articles and my understanding of statistical methods. Besides expertise, you also have the warmest heart.

To my co-author, Sebastian Schuh. Working with you is always a pleasure, and your constant drilling has made me a much better article writer.

To the great colleagues at Stockholm School of Economics, for all the conversations, reading tips, and everything you have taught me: Karin Fernler, Jesper Blomberg, Stefan Einarsson, Johan Berglund, Frida Pemer, Karin Svedberg Helgesson, Andy Schenkel, Karl Wennberg, Nadav Shir, Pierre Guillet de Monthoux, Per Henrik Hedberg, Emma Stenström, and many more. A special thanks to Gustav Almqvist, who not only became a role model in intellectual curiosity and a fantastic discussion partner, but also a dear friend. To Jonas Dahl, for being a great roommate. To Hannah Altmann for all the support, the lunch talks, and the doorway sharing.

To Stockholm School of Economics. I am very proud to be part of this intellectual community, and grateful for the opportunity work with the brilliant researchers and students of this school.

To the whole Sundström-Sjödin clan, for always enfolding me with your love and support. Elin and Hedvig – sharing the joys and challenges of pursuing a PhD with you has made it so much more enjoyable. To my dear friend, Lars Falk, for your brilliant mind and constant inspiration. To my fantastic father, for teaching me true grit by your own example. And to my late mother, herself the best possible example of a talent but with absolutely no interest in parading it. You are always on my mind and always in my heart.

Finally, to my amazing husband, Hoa. You have taught me everything about pursuing a vision and daring to take the road less travelled. Your constant love and support always keeps me going, and together, we really are capable of anything. You, my love, are the best serendipity of my life.

Stockholm, May 11, 2018

Kajsa Asplund

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Chapter 1

Introduction

1.1 Research problem

In recent years, it has been noted that the idea of employee differentiation has become increasingly more influential in organizations' human resource management (HRM) (Huselid & Becker, 2011; Iles, Chuai, & Preece, 2010; Keating & Heslin, 2017). The concept can be defined as the formalized categorization of employees into groups or segments according to judgments of their personal characteristics and behavior – such as ability, personality, performance, and future potential – and the adjoined strategic value for the organization. This categorization is in turn often tied to the distribution of valuable resources, such as pay, benefits, career opportunities, and development activities (Cappelli & Keller, 2014). The phenomenon is in part a product of the Strategic HRM perspective, which holds that employees differ in their strategic importance to the organization, and that this must be mirrored in the way they are managed (Iles, Chuai, et al., 2010; Lepak & Snell, 1999). In practice, this means that more resources should be invested in those employees that are deemed most important to organizational performance (Becker, Huselid, & Beatty, 2009).

Two concrete HR practices embodying this principle are performance appraisal (PA) and talent management (TM). While PA has been a common ingredient in organizations' HRM for a long time, the practice of TM can be said to represent the latest version of employee differentiation. The practice of designating certain employees as especially talented or high-potential, usually in an annual talent review, has become a common part of HRM all over the Western world in the 2010s (Schuler et al., 2017). In addition to talent reviews, TM often comprises an even more explicit designation of a smaller subset of employees as talents through their inclusion in e.g. talent pools or special career tracks (K. A. King, 2016). This is often referred to as assigning explicit talent status to an employee, and this status can to a varying extent be tied to organizational inducements (Ehrnrooth et al., 2018). These practices have gained successively stronger foothold in the European and Nordic contexts. Although first spreading in large industrial firms, TM is now also becoming more frequent in middle-sized firms and the public sector (Brewster, Cerdin, & Sharma, 2017; Thunnissen & Buttiens, 2017).

Together, PA and TM can be said to constitute the epicenter of explicit differentiation in many organizations. PA and TM are furthermore often closely intertwined in organizational practice: The PA and the talent review are often carried out in close temporal proximity, sometimes even at the same occasion (Mäkelä, Björkman, & Ehrnrooth, 2010; Stahl et al., 2007). The broad introduction of TM also seems to have raised the stakes of PA, since talent designation is often based on, or even confounded with, ratings of current performance (Finkelstein, Costanza, & Goodwin, 2018; Thunnissen, Boselie, & Fruytier, 2013a). Both practically and conceptually, PA and TM can thus be regarded as two sides of the same coin.

Stemming as it does from the Strategic HRM perspective, employee differentiation is intended to achieve a more effective use of human capital and hence improve business outcomes (Becker & Huselid, 2006; Lepak & Snell, 1999). Importantly, however, these organization-level outcomes are assumed to realize through effects on employees (Wright & Nishii, 2007). Desired effects include increased loyalty and motivation among those categorized as high-potentials. However, knowledge about how particularly TM actually affects employees is still scarce (De Boeck, Meyers, & Dries, 2017; Dries, 2013; A. R. Malik & Singh, 2014). This is a significant omission, considering the centrality of employee-level outcomes for the effectiveness of these practices (Marshall, Davis, & Owen, 2014). Results of empirical studies are still mixed. Within the PA field, findings are still not clear regarding the effects of performance ratings on motivation, satisfaction, and work performance (DeNisi & Smith, 2014). As regards TM, the limited research conducted reveals varying findings. Some studies show potentially positive effects for designated talents (Björkman, Ehrnrooth, Mäkelä, Smale, & Sumelius, 2013), some reveal adverse consequences of being selected (Dries & Pepermans, 2007), and still others point to detrimental effects for those not chosen (Marescaux, De Winne, & Sels, 2013; Swailes & Blackburn, 2016).

Further, the lack of theoretical groundwork in the TM area implies that we do not fully know which effects researchers should look for when studying employee differentiation. The question is thus not only whether these practices lead to the intended effects, but also whether they produce other, unintended, consequences (Finkelstein et al., 2018). Development of new and generative conceptual frameworks is thus called for (Al Ariss, Cascio, & Paauwe, 2014; Schuler et al., 2017).

Extant research looking into the effects of differentiation on employees has primarily drawn on social exchange theory (Blau, 1964; Cropanzano & Mitchell, 2005) and organizational justice frameworks (Colquitt, Conlon, Wesson, Porter, & Ng, 2001). While they have provided several valuable insights about the factors shaping employee reactions to differentiation, these frameworks have not extensively taken into account the more symbolic functions of these practices (cf. Restubog, Hornsey, Bordia, & Esposo, 2008). PA and TM have been conceived of primarily as guiding the distribution of resources, such as career opportunities, pay, training, managerial support, and executive attention. Less focus has been given to differentiation practices as signalers of the status, value, and characteristics that the organization ascribes to the individual (cf. Bowen & Ostroff, 2004; De Boeck et al., 2017). Notably, conventional frameworks omit the possibility that talent designation and performance ratings may influence the individual's self-image and perceived group belongings in the workplace (Tansley & Tietze, 2013). Such reactions could have important implications for employees' behavior and motivation at work.

In sum, there is a great need for more research looking into the effects of differentiation on employees, and for further theorizing in this area. Particularly, new perspectives should account for the symbolic aspects of differentiation, and not only the distributive or transactional ones. In this thesis, I will delineate a theoretical framework based on social identity theory (Tajfel, 1978, 1981, Turner, 1975, 1985), specifically the concept of multiple identifications, and argue that this can provide a better understanding of the more symbolic aspects of differentiation practices such as TM and PA. According to social identity theory, employees can adhere their self-image to a number of different group belongings, or targets, in the workplace (Miscenko & Day, 2016). From this perspective, differentiation practices can be viewed as offering certain groups of employees new "hats to wear" (Ashforth & Johnson, 2001, p. 31): New ways of looking at oneself in relation to the work context.

The thesis will focus primarily on differentiation in the shape of TM but also PA. The fact that these two practices are so intimately related in organizational practice, and usually share the common underlying logic of differentiation, speaks to the utility of studying them together. In what follows, I will present the research purpose and the specific research questions.

1.2 Research purpose and research questions

The overall purpose of this thesis is to contribute to the understanding of the impact of differentiation on employees, by adopting an identification perspective. The research will investigate how employees' differentiation outcomes, i.e., the ratings they receive in PA and TM, influence their identification with different targets. I also aim to examine whether pre-existing identifications may play the role of modifying employees' reactions to differentiation. Further, the thesis will explore how identifications following differentiation in turn relate to different behavioral and motivational outcomes. Hereby, I aim to complement existing perspectives on employee reactions to TM and PA, by directing attention to a broad set of reactions not extensively considered in previous research.

More specifically, the above purpose leads me to propose the following three research questions:

1. How does differentiation influence employees' identification with different targets?

2. How do changed identifications resulting from differentiation relate to behavioral and motivational outcomes?
3. How is the influence of differentiation on employees shaped by pre-existing identifications?

1.3 Definitions and delimitations

1.3.1 Definitions

Employee differentiation will be defined as the formalized categorization of employees into groups or segments according to judgments of their personal characteristics and behavior – such as ability, personality, performance, or future potential – and the adjoined strategic value for the organization. The concept usually, but not always, also implies the disproportionate distribution of valuable resources, such as pay, benefits, and development activities, to groups categorized as strategically important. There does not seem to be any agreed-upon definition of employee differentiation in the literature, but the above wording bears resemblance to what e.g. Bodreau and Ramstad (2005) and Huselid and Becker (2011) have stated regarding the topic. The term *differentiation* will at times, for brevity reasons, be used as a synonym. *Differentiation practices* will be used to designate the concrete activities that embody the wider principles of employee differentiation.

Talent management (TM) is defined as the "management and development of high-performing and high-potential incumbents in critical organizational roles" (Collings, 2014b, p. 301). This involves both the labeling of certain employees as talents or high-potentials through a so-called talent review, and the inclusion of certain employees in particular development initiatives such as talent programs (Bolander, Werr, & Asplund, 2017). The term *talent*, and its synonyms, will be taken to denote individuals believed to possess especially high levels of characteristics or skills that the organization sees as crucial for its long-term performance, or especially high future potential to develop those characteristics and skills (cf. Gallardo-Gallardo, Dries, & Gonzalez-Cruz, 2013a; Nijs, Gallardo-Gallardo, Dries, & Sels, 2014). *Talent designation*[1] is used to denote the explicit and formal appointment of certain employees as talents or high-potentials; a practice that can be seen as happening in two discrete steps. First, employees can receive a high *talent review rating*, i.e., be categorized as having high future potential. The talent review is often an annual event performed as a corollary to the PA (see below), but focuses more on identifying employees perceived to have high potential to take on more complex roles in the future. Second, employees that have received top ratings in a talent review can be assigned even more explicit *talent status,* which often entails being included in a talent pool or special career track. This talent status is sometimes, but not always, also associated with the provision of valuable resources such as additional visibility, training, and career opportunities (Schuler et al., 2017).

Performance appraisal (PA) is defined as a formal event where one or several raters – most commonly the closest manager – shares his or her judgment of an employee's performance in relation to pre-defined performance criteria, usually assigning quantitative scores to the performance (DeNisi & Pritchard, 2006). PA thus constitutes a focal component of the wider bundle of practices termed *performance management*: Structured activities, usually emanating from managerial or HR functions, whose primary aim is to improve employee work performance, which in turn is assumed to contribute to the organization reaching its strategic objectives (e.g., Boselie & van der Wiele, 2002).

The term *identification,* or social identification, is here used primarily in the sense pioneered by Tajfel (1981) and Turner (1982) in social identity theory. Identification there denotes the individual's integration of a group belonging in his or her self-image.[2] I will furthermore use the term *identifica-*

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[1] A review of the TM literature reveals that the most common term used for this practice is *talent identification* (cf. e.g. de Boeck et al., 2017). However, since identification in the social identity sense of the term is a core construct in this thesis, the term talent designation will be used to avoid confusion. This term has been used in past research as well, e.g. by Gelens, Dries, Hofmans, and Pepermans (2015).

[2] Recent social identity literature increasingly recognizes that not only group belongings can become targets for identification. For instance, Sluss and Ashforth (Sluss & Ashforth, 2007) proposed that employees can identify with their supervisor. Employees' identification with their own careers has also been studied (e.g. Christ et al., 2003). Group belongings however remain the most common targets studied in research.

tion targets to refer to the different group belongings becoming objects of identification, e.g. the organization, workgroup, and profession (Miscenko & Day, 2016). The term *identity* is used broadly as the individual's self-image; her idea about her own individual characteristics and group affiliations. This term will however primarily be used when discussing the broader need in the TM literature for a perspective taking into account employees' self-images, and when discussing identity literature beyond the social identity theory tradition.

1.3.2 Delimitations

A first delimitation concerns the focus on the two differentiation practices of TM and PA. Employee differentiation can of course take other forms as well: For example, the same basic principle informs many versions of individualized pay, succession planning, and recruitment. TM and to a smaller extent PA have however been chosen as the focus of this thesis, and mainly for two reasons. First, TM and PA are two differentiation practices that receive substantial attention, time, and resources in organizations today, since they are regarded as pivotal to organizational success (Cappelli & Conyon, 2016; Silzer & Church, 2009). Second, these two practices can be said to represent the two most prototypical cases of employee differentiation: PA implying the segmentation of employees according to performance, and TM according to future potential. Third and finally, TM and PA are highly intertwined in practice: The PA and talent review are often carried out in concert, and performance is furthermore often confounded with potential (Silzer & Church, 2009). Thus, TM and PA can be said to constitute the most central differentiation practices to study, both from an urgency and a representativeness perspective.

It is important to note that activities performed under the labels of TM and PA vary widely in organizations (Bolander et al., 2017; McDonnell, Lamare, Gunnigle, & Lavelle, 2010). Not least, they range from highly structured and standardized to ad hoc and idiosyncratic (J. T. Jones, Whitaker, Seet, & Parkin, 2012). This thesis will focus on structured TM and PA, i.e., practices that follow a certain formalized plan in terms of content and form. For example, an internal training program for identified high-potentials, beginning at a certain time point and employing pre-defined selection criteria and content modules, would be considered structured TM. As an example of the opposite would be individual managers deciding independently to send promising employees to trainings of their own choice.

Furthermore, both TM and PA can be more or less exclusive. First, as regards PA, the "harder" forms of this practice entail quantitative rating of employees' performance. Pay, benefits, and career opportunities are then tied to these ratings. In its "softer" forms, PA might have less of an evaluative and more of a developmental focus. Indeed, there is an ongoing discourse in performance management where organizations are taking steps away from forced rankings and annual performance reviews towards more growth-oriented feedback (e.g., Adler et al., 2016). Research however indicates that performance ratings are still being employed to a high extent (Hunt, 2016; Ledford, Benson, & Lawler, 2016). Second, the TM literature distinguishes between exclusive and inclusive TM, where the first represents the classical "war for talent" perspective, and the latter denotes a form of TM that does not single out certain employees as talents but rather regards all employees as talented. Although researchers disagree as to whether inclusive TM is a valuable concept, or rather just represents general HRM, the notion keeps reappearing in TM literature (Meyers, van Woerkom, & Dries, 2013; Swailes, Downs, & Orr, 2014; Thunnissen & Buttiens, 2017). Considering that the focus of this thesis is employee differentiation, it follows logically that focus will be on the more exclusive forms of TM and PA – that is, the versions of these practices where employees are formally categorized according to performance and potential. Furthermore, exclusive forms seem to be the most common ones in organizations working with structured TM (Thunnissen, Boselie, & Fruytier, 2013b).

It should also be mentioned that TM practices can have both internal and external recruitment. For instance, many graduate- and trainee programs would qualify as TM, and they usually recruit participants externally (McCracken, Currie, & Harrison, 2016). In this research, however, the focus will be on internal practices. The reasons for this is firstly that those practices enable the examination of employees' reactions when moving from not being identified as a talent to being so. Secondly, looking at practices with internal selection opens up for the study of employees who are not favored by TM, e.g. employees not awarded talent status or provided with a low rating in a talent review.

1.4 Thesis outline

The thesis will proceed as follows: In chapter 2, literature on employee differentiation is reviewed. The review includes a brief version of the history of the phenomenon, as well as overviews of PA and TM as objects of academic study. The second major part of the chapter consists of a more detailed literature review on the effects of employee differentiation on employees, finishing with a comment on the state of the research. Chapter 3 then presents the theoretical framework for the thesis. Methodological choices are presented and discussed in Chapter 4. In Chapter 5, the four articles included in this thesis are briefly introduced. The contributions of the thesis to theory and practice are discussed in Chapter 6. Chapter 7 elaborates on the implications of the research for organizational practice, while Chapter 8 includes limitations and suggestions for future research.

This is followed by the four articles presenting the findings of the empirical studies. Article 1, which looks at the role of identifications in shaping employees' reactions to their PA outcome, primarily addresses research questions 2 and 3. In article 2, I examine the role of employees' identifications in shaping their perceptions of explicit talent status (and lack thereof). The article also explores how identifications may be modified following differentiation. Corresponding motivational and behavioral reactions are also attended to. Hence, the article addresses research questions 1, 2, and 3. Article 3 tests a mediation model where talent status and talent review rating are hypothesized to lead to several behavioral outcomes, mediated by identification with two different targets. Hence, it contributes to answering questions 1 and 2. Finally, article 4 examines the moderating role of professional identification on employee reactions to talent review ratings, thus contributing to answering research question 3.

Table 1 maps out how the different research questions listed in section 1.2 above relate to the articles included in the thesis.

Table 1. Summary of research questions and corresponding articles.

Research Question	*Articles Addressing the Question*
1. How does differentiation influence employees' identification with different targets?	Articles 2 and 3
2. How do changed identifications resulting from differentiation relate to behavioral and motivational outcomes?	Articles 1, 2 and 3
3. How is the influence of differentiation on employees shaped by pre-existing identifications?	Articles 1, 2, and 4

Chapter 2

Employee Differentiation

2.1 Brief history and underlying assumptions

The idea of employee differentiation is almost as old as the fields of management and HRM research themselves, but its impact has varied over time. One important historical root is differential psychology, whose inception as a scientific field can be traced to the late 19th and early 20th century (Binet & Simon, 1916; Galton, 1884, 1892; Wundt, 1904). This discipline is based on the assumption that there are stable differences in a number of important human characteristics, such as intelligence and personality. Further, differential psychologists held and continue to hold that these characteristics are normally distributed, largely hereditary, and related to important outcomes (Galton, 1884; Terman, 1925). The theoretical development of differential psychology went hand in hand with the technical development of psychometrics, i.e., the science of measuring mental abilities and traits (e.g., Pearson, 1896; Spearman, 1904).

Differential psychology exerted a strong influence on early HR research and practice, not least in connection to the two world wars. Psychologists' view that soldiers and military staff should be screened, selected, and staffed according to their abilities won sympathy and was to a large extent realized (L. V. Jones & Thiessen, 2007). The practices developed within the military later spread to general working life, particularly in the US, and held a strong position up to the early 1960s. Theories of individual differences continued to develop, often with the direct purpose of facilitating selection and succession planning in organizations (Eysenck, 1952; Guilford, 1956; Horn & Cattell, 1966). Many of the practices that we today associate with employee differentiation, such as PA, forced rankings, 360 feedback, and assessment centers were all developed in the 1940s and -50s (e.g. Blum & Naylor, 1968; Scott, Clothier, & Spriegel, 1941). This period also witnessed the first upsurge in large quantitative studies establishing a link between psychological traits on the one hand and indicators of work performance on the other. The notion that "stars" must be separated from less able employees gained increasing spread. Its adoption in large, influential companies made others follow, the prime example being GE's famous forced ranking system (cf. Welch & Byrne, 2003). This entailed the mapping of all employees' performance ratings onto a pre-set normal distribution curve, based on the assumption that the workforce at all times consisted of a smaller number of top performers, a large bulk of medium-performing employees, and lastly a smaller tail of employees who were under-performing.

Towards the mid-1960s, employee differentiation started to lose ground (DeNisi, Wilson, & Biteman, 2014). The idea that human characteristics were based on stable, hereditary traits began to be seen as elitist and oppressive (Revelle, Wilt, & Condon, 2011). Values such as inclusiveness and equality came into focus in organizations' personnel practices (DeNisi et al., 2014). Several authors claimed that the predictive ability of innate personality traits was low (Guion & Gottier, 1965; Mischel, 1969). This trend lingered all through the 1970s, partly enforced by changes in the economy: Increasing market uncertainty and the fierce economic downturn made practices such as rankings and assessment centers seem superfluous (Burbach & Royle, 2010).

Differentiation experienced a renaissance in the 1980s, aided by the burgeoning idea that employees' competencies should be directly tied to business needs. Atkinson (1984) was one of the first to explicitly launch this idea, which implied that the highest-performing individuals be seen as a particularly important resource. Additionally, a second wave of large-scale psychometric studies corroborated the idea of stable traits such as intelligence and personality being highly predictive of work performance (e.g.

Schmidt & Hunter, 1998).[3] These influences paved way for the Strategic HRM approach. When this gained acceptance in the 1990s, differentiation made a broader return. Lepak and Snell (1999) and Tsui, Pearce, Porter, and Tripoli (Tsui, Pearce, Porter, & Tripoli, 1997) were some influential proponents of the idea that organizations should segment employees according to their strategic importance, and offer different practices to these groups. They have been followed by several others in the 2000s (e.g. Becker et al., 2009; Huselid & Becker, 2011).[4]

During the late 1990s, employee differentiation furthermore got a new face through the birth of the term TM. The famous McKinsey article *The War for Talent* (Chambers, Foulton, Handfield-Jones, Hankin, & Michaels III, 1998) and the same-titled book (Michaels, Handfield-Jones, & Axelrod, 2001) played an important role in putting TM on the agenda. This new paradigm also received substantial criticism, however. Pfeffer (2001) stated that the "talent mindset" rested on three taken-for-granted assumptions, all contestable from an empirical point of view: 1) that individual ability is a mostly constant factor, 2) that it is possible to make a reliable categorization of employees according to ability and competence, and 3) that organizational performance mainly is the sum of these individuals' performance. Doubtlessly, these assumptions can be taken as a characterization of the philosophy behind employee differentiation more generally as well. One

[3] A vast body of research continues to support the important role of personality and general mental ability for work performance (see e.g. Chiaburu, Oh, Berry, Li, & Gardner, 2011; T. A. Judge, Rodell, Klinger, Simon, & Crawford, 2013; Sjöberg, 2014). It should however be noted that the psychometric approach has also received strong criticism. Not least, scholars have argued that this approach downplays the role of more trainable so-called non-cognitive skills, such as learning orientation (e.g. Dweck, 2000; Dweck & Legget, 1988). However, the psychometric approach has so far withstood the challenges and continues to wield a strong influence on e.g. recruitment and selection practices. Further criticism remains regarding e.g. ethnic and cultural bias in assessment of general mental ability (Roth, Huffcutt, & Bobko, 2001).

[4] The term *workforce differentiation* has also been used to designate differentiation of employees according to employment mode. For example, it has been common to distinguish between full-time and contingent workers, and to argue that different types of HRM practices should be applied to the two groups (Stirpe et al., 2014).

could also add the assumption that individual ability is a scarce and finite resource; usually perceived to represent the far end of a normal distribution curve (Meyers & van Woerkom, 2014; Silzer & Church, 2009).

Several driving forces behind the return and evolution of the employee differentiation notion during the last 25 years can be identified. According to Cappelli (2008), one central factor was the economic upswing that particularly the US experienced in the 1990s, leading to retention problems as competent employees started to get more outside offers. Attraction and development of particularly high-performing individuals again started to gain executive attention. A second explanation, cherished not least by TM scholars and consultants, is that the entrance into the knowledge economy, together with globalization and demographic change, has made employees the most important strategic asset of companies (Michaels et al., 2001).

A third explanation has less to do with the valuing of employees and more with budgetary restraints and increased control mechanisms. According to Townley (1996), especially differentiation of employees in the public sector stems from increased demands for accountability, which has been accompanied by a displacement of efficiency demands from departments to the individual employee. Differentiation through examination lets the organization attribute problems of efficiency and productivity to low-rated employees. What often presents itself as neutral instruments for depiction of reality is, according to Townley, Cooper, and Oakes (2003), often an active agent for discipline and regulation. Related perspectives have been offered by Alvesson and colleagues (Alvesson, 2000; Alvesson & Kärreman, 2007; Alvesson & Willmott, 2002), who focused on so-called knowledge workers in e.g. professional service firms. Alvesson argues that differentiation is often used as a means of identity-driven control. When classical control mechanisms such as orders and surveillance no longer apply, firms induce a subtler form of control by making employees adopt elite identities and strive to be recognized. In the long run, Alvesson posits, this tends to create stress and pressure. The identity control is also thought to lead to compliance, and make it difficult for organizational members to exert resistance.

It has also been pointed out that employee differentiation in large part is a product of American corporate culture. Stirpe, Bonache, and Revilla

(2014) pointed out that ideas of scarcity and competition are deeply rooted in the mindset of American companies, and these are very hard to change. The notion that you must "optimize your troupes" and make sure you have "the best ones on the frontline" rhymes well with employee differentiation. The idea is further that differentiation, e.g. in the form of employee rankings, will contribute to a high-performing, meritocratic culture (Guralnik, Rozmarin, & So, 2004). The cultural norm of pressuring oneself and others to perform, rooted in a protestant ethic, is highly involved. As Stahl et al. (2007) noted, in a performance-driven corporate life "the underlying philosophy of separating stars from slackers remains a deeply ingrained part" (p. 29). Welch and Byrne (2003), in their book on Welch's leader philosophy during his many years as CEO of GE, symptomatically state that the function of a forced ranking system is to "reward doers".

In recent years, employee differentiation has become closely related to the idea of quantification, i.e. the evaluation and description of employees with the help of numbers (Boudreau & Ramstad, 2005). Quantification is thought to increase control over employees' competence, skills, and characteristics, by systematizing them and making them measurable (Beer, Eisenstat, & Foote, 2009). This in turn is believed to ensure the correspondence between business strategy and HRM (Gill, 2002). In addition, quantification aims to allow for assessment of the return on investment (ROI) of HRM (Yapp, 2009). One of the basic ideas is that measurement will contribute to more accurate ratings, clearer performance goals, and increased transparency (DeNisi & Pritchard, 2006). Within the critical HRM literature, this view on quantification has been challenged (e.g. Bolton & Houlihan, 2007; Watson, 2004). The quantification zeal, according to critical authors, stems from a managerialist perspective and has controlling purposes (Findlay & Newton, 1998). Measurement practices, it has been argued, become a scene for political processes (Alvesson & Kärreman, 2007). Quantification is not a mere description of reality, but rather a performative activity that affects how people behave in organizations (Espeland & Stevens, 2008). PA has been one of the most widely studied and questioned practices (e.g. Findlay & Newton, 1998; Townley et al., 2003).

As noted by Brown, Chui, and Manika (2011), in the 2010s, digitization has made it easier to collect, store, and analyze data concerning employees' characteristics and performance. This is commonly referred to as "the big data paradigm", and there are increasing demands for HR to engage in "HR analytics": Large-scale statistical analyses of data concerning the workforce (Fitz-Enz, 2010). The explicit goal behind this data gathering and -analysis is to evaluate the economic value that employees and HRM add to the organization (Bassi, 2011). This goal can only be attained, according to proponents of this approach, if HR with the help of data can map out which employees that perform best, behave according to organizational values, and have significant future potential (Davenport, Harris, & Shapiro, 2010). Thus, there is little sign of employee differentiation losing ground in organizational life, although the forms, as we shall see, seem to be changing.

Above, I attempted to sketch a very brief history of employee differentiation. I now move on an equally brief account of how the specific practices of PA and TM became objects of academic research.

2.1.1 Performance appraisal as an object of academic research

PA began to interest researchers in the 1950s, in parallel with the spread of this practice in US companies (Burbach & Royle, 2010). In the 1950s and -60s, studies were generally very functionalist in nature. They focused primarily on improving the reliability and validity of rating instruments, e.g. reducing rating error. Strivings to improve PA quality in this way did not, however, turn out to be very successful (Pichler, 2012).

In the 1980s, research on PA steered away from functionalist studies of how to improve rating reliability and moved towards issues of rater decision processes, drawing on cognitive psychology (Feldman, 1981; Landy & Farr, 1980). The rater was now construed as an information-processing actor, using input from the environment in order to make a judgment. One influential stream of research during this time, represented not least by Murphy (K. Murphy, Philbin, & Adams, 1989; K. R. Murphy, Balzer, Lockhart, & Eisenman, 1985; K. R. Murphy & Cleveland, 1995), revealed that performance ratings were dependent on their purpose: Appraisal performed for e.g. salary-setting purposes lead to significantly more lenient ratings than those performed for research- or strictly administrative reasons. These findings corroborated the view that managers were far from objective judges of performance.

In the 1990s, literature on PA became increasingly social. Ilgen, Barnes-Farrell, and McKellin (1993), in one of the first critical reviews of PA literature, encouraged researchers to move beyond raters' intra-individual, cognitive processes and take the wider social context of PA into account. Murphy and Cleveland (1995) as well as Masterson, Lewis, Goldman and Taylor (2000) stated that PA must be seen as an intricate social activity. In the 2000s, scholars have continued to point to the social context of PA as one of the most central areas for further research (G. R. Ferris, Munyon, Basik, & Buckley, 2008; Fletcher, 2001; Levy & Williams, 2004).

The last half-decade has seen yet another sharp turn in PA discourse and research. Sparked by the fast-rising trend of large American companies dismissing performance ratings, increasing criticism of the classic mode of PA has surfaced. Specifically, researchers and practitioners alike have contended that the standardized annual performance review is afflicted by serious problems: Besides being rigid, time-consuming, and widely disliked (Deloitte, 2014), scholars have emphasized the lack of clear, documented effects on employee motivation and performance (H. Aguinis, Joo, & Gottfredson, 2011; DeNisi & Smith, 2014). Repeated calls are therefore made for more agile and flexible ways of giving performance feedback (Adler et al., 2016). Further, the importance of more growth- and development-oriented performance management practices has been highlighted (Budworth, Latham, & Manroop, 2015). Some scholars however state that reports of the death of performance ratings are highly exaggerated: Most organizations still need to rely on some kind of differentiation of performance in order to decide on salary-setting and promotions (Hunt, 2016; Ledford et al., 2016). This shift in performance management appears to only be in its early stages, and how vast its impact will be on organizational practices remains to be seen.

2.1.2 Talent management as an object of academic research

As mentioned, the term TM entered standard HRM terminology following McKinsey's wide-spread publications around the turn of the millennium (Chambers et al., 1998; Michaels et al., 2001). Although the ideas quickly sparked interest among practitioners, it took some years until academic scholars started to study TM. Lewis and Heckman (2006) performed a review of research published up until the mid-00s, and were the first to point to the lack of theoretical underpinning of the field. This issue has persisted, and has been lamented by many scholars over the years (Al Ariss et al., 2014; Iles, Preece, & Chuai, 2010).

A related problem is the lack of agreed-upon definitions of key terms, the first one being TM itself. There have been debates as to whether TM really consists of new practices or is only a new label for traditional HRM (Chuai, Preece, & Iles, 2008; Lewis & Heckman, 2006). More recent reviews have however stated that TM really is new to the HRM arena (Gallardo-Gallardo & Thunnissen, 2016; Thunnissen et al., 2013a). Various definitions exist, where some tend to conceive of TM as the filling of critical roles (Becker & Huselid, 2006; Boudreau & Ramstad, 2005) while others focus on the management of key employees. In the latter category, one of the more pragmatic is "the systematic attraction, identification, development, retention, and deployment of those individuals with high potential who are of particular value to an organization" (Tansley, Harris, Stewart, & Turner, 2006). A similar and often-cited definition was proposed by Collings (2014b): "The management and development of high-performing and high-potential incumbents in critical organizational roles." It is this latter category of definitions that primarily informs this thesis.

The concept of talent is even more diffuse than TM (Al Ariss et al., 2014). It is far from self-evident whether talent should be viewed as innate or acquired, exclusive (i.e., rare) or inclusive (i.e., residing within all individuals) (Meyers et al., 2013; Nijs et al., 2014). The mainstream conception of TM tends to carry a view of talent as innate, exclusive, and stable (Gallardo-Gallardo, Dries, & Gonzalez-Cruz, 2013b) . This approach has also received the most attention from researchers (Gallardo-Gallardo & Thunnissen, 2016), and seems to be the most common one in practice – at least in Western industrial settings (Thunnissen et al., 2013b). However, scholars have also argued for the possibility of more inclusive views, not focusing primarily on the identification of 'A players' but on the various talents of all employees (Buckingham & Vosburgh, 2001; Swailes et al., 2014; Yost & Chang, 2009). Such approaches, it is argued, might be more common in other settings than large private-sector firms (Gallardo-Gallardo & Thunnissen, 2016). Researchers have also questioned conventional TM's large preoccupation with the idea of "stars": The notion that certain employees have exceptional skills and abilities, and contribute disproportionately to organizational performance (Herman Aguinis & O'Boyle, 2014). As pointed out by e.g. Groysberg (2010) and Swailes (2016), this contention is not self-evident from an empirical perspective.

A third concept that lacks an agreed-upon definition is potential (Garavan, Carbery, & Rock, 2012; Ready, Conger, & Hill, 2010; Silzer & Church, 2009). While performance is usually defined in quantified and formalized terms, organizations are generally vaguer about the actual meaning of potential (Finkelstein et al., 2018; Garavan et al., 2012). Silzer and Church (2009) proposed a definition containing three components: Innate abilities like personality traits, growth-enabling factors such as learning orientation, and factors related to career opportunities. A similar definition was presented by Finkelstein, Costanza, and Goodwin (2018). However, no consensual definition has been established in TM research.

During the 2010s, there has been a significant upsurge in research on TM (Gallardo-Gallardo, Nijs, Dries, & Gallo, 2015). A large stream of research has been that of strategic TM, which builds on the wider assumptions behind employee differentiation described above (Boudreau & Ramstad, 2005; McDonnell et al., 2010). Another prolific subfield has been that of global TM, where researchers draw on expatriation and global HRM literature to investigate how primarily multinational corporations (MNCs) manage their talent pools (Brewster et al., 2017; Collings, 2014a; Morris, Snell, & Björkman, 2016; Vaiman, Haslberger, & Vance, 2015; Vaiman, Scullion, & Collings, 2012).

The preponderance of conceptual work, at the expense of empirical studies, was often problematized in the early days of TM research (Collings & Mellahi, 2009; Lewis & Heckman, 2006). Scholars have responded to this, and the number of empirical studies has increased during the last decade (Gallardo-Gallardo et al., 2015; Schuler et al., 2017). The majority have focused on TM as a centralized, strategic practice, rather than as a day-to-day practice affecting employees (e.g. Thunnissen, 2016). Studies have tended to omit the existence of other stakeholders than the firm (Collings, 2014b). Downs and Swailes (2013) and Swailes (2016) also criticized the underlying assumptions contained in metaphors such as "war" and "scarcity", arguing that these represent ideology rather than rational necessity.

Recently, literature has also increasingly highlighted the narrow focus on large, industrial organizations as the setting for TM (e.g., Gallardo-Gallardo & Thunnissen, 2015; Thunnissen, Boselie & Fruytier, 2013) (Gallardo-Gallardo & Thunnissen, 2016; Thunnissen et al., 2013b). Studies have begun to explore TM in small and medium-sized firms (Festing, Schäfer, & Scullion, 2013; Krishnan & Scullion, 2017), public-sector organizations (Thunnissen & Buttiens, 2017), and non-profit organizations (Brewster et al., 2017). Bolander, Werr, and Asplund (Bolander et al., 2017) conducted a qualitative study in 15 industries, identifying four different approaches to TM. As emphasized by Vaiman, Collings, and Scullion (2017), more research is needed on contextual influences on TM philosophies.

Additionally, scholars have repeatedly lamented the lack of studies taking an employee view on TM (Dries, 2013; Schuler et al., 2017; Thunnissen, 2016; Vaiman et al., 2017). In the last decade, scholars have begun to address this shortage. These studies are reviewed below, together with findings on PA's effects on employees.

2.2 Effects of differentiation on employees

Studies on the effects of PA on employees first started to increase in 1990s, with the general social turn in PA research. A second important impetus for highlighting the potential impact of HRM on employee behavior came in the following decade with Bowen and Ostroff (2004). In their influential article, they presented HRM as a signaling system that an organization utilizes to communicate desired behaviors to the employees. Certain aspects of the HRM system, they argued, thus had the potential to significantly influence employees' actions.

Mohrman, and Milliman (1991) were among the first to show that employee reactions to the PA process were related to subsequent job performance, a finding that has since been corroborated (e.g. Jawahar, 2006). That is to say, the way that the employee perceives the PA process has significant impact on attitudinal and behavioral outcomes, such as commitment, job satisfaction, and turnover (Pettijohn, Pettijohn, & D'Amico, 2001; Tekleab, Takeuchi, & Taylor, 2005).

Research on how TM affects employees is still scarcer. Dries (2013), Björkman et al. (2013), Höglund (2012), and Malik and Singh (2014) all pointed out that the effects of TM on individual employees were barely known at all. Authors highlighted this as a major issue, considering that effects of TM on employees most probably include changes in attitudes and behaviors that are highly relevant to organizational outcomes. To date, a number of empirical studies have been conducted, and these will be reviewed further below. As summarized by de Boeck et al. (2017) in their review, a larger number of these studies have shown positive effects of talent designation than the reverse.

As mentioned in the introduction, the dominating theoretical lens for studying the effects of differentiation on employees has been social exchange theory (Blau, 1964; Cropanzano & Mitchell, 2005). Its central tenet with regards to differentiation is that employees should feel compelled to reciprocate with hard work and positive attitudes if they are invested in by the organization through high performance ratings or talent designation (Gelens, Hofmans, Dries, & Pepermans, 2014; Kuvaas & Dysvik, 2010). It should however be noted that social exchange theory is an umbrella theory that has given rise to a number of more specific frameworks, and it is usually these that are directly employed in studies. They include leader-member exchange theory (Dulebohn, Bommer, Liden, Brouer, & Ferris, 2012; Graen & Scandura, 1987), organizational support theory (Rhoades & Eisenberger, 2002), and psychological contracts (Rousseau, 1995).

Below, the broader factors that have received the most attention and support in research on what shapes employee reactions to differentiation are reviewed. As we shall see, several of them have strong links to social exchange theory, but other theoretical streams such as perceived organizational justice have also turned out to be fruitful.

2.2.1 Leader-member exchange and perceived organizational support

According to Pichler's (2012) meta-analysis of employee reactions to PA, relational qualities in the workplace, primarily involving the supervisor, constitute the most central determinants. A large number of studies have shown empirically that more positive supervisor-employee exchanges are associated with more positive PA reactions (Duarte, Goodson, & Klich, 1994; Elicker, Levy, & Hall, 2006; T. Judge & Ferris, 1993). That is, having a trusting and supporting relationship with one's closest manager tends to make the PA a more positive experience, regardless of the actual rating. Most of the studies looking at this relationship have taken a social exchange view, adopting either the leader-member exchange (LMX) perspective (Graen & Uhl-Bien, 1995) or the concept of perceived organizational support (Rhoades & Eisenberger, 2002). For example, both Erdogan (2002) and Levy and Williams (2004) argued for the importance of LMX in determining the effects of PA on employees. Jawahar (2006) found that satisfaction with the rater was an important determinant of PA's effects on employees. Reinke (2003) saw that trust between employee and supervisor was the most important factor in predicting PA system acceptance.

This line of research has also taken an interest in the respective role of social exchanges and actual ratings, i.e., the relative impact of the objective outcome that an employee receives versus how this outcome is perceived in terms of e.g. communication, support provided, etc. There have been some studies showing a correlation between actual ratings and employee outcomes (Dulebohn & Ferris, 1999). However, there is a potential confounder in the fact that actual rating and quality of the relationship with one's manager are usually related (Kacmar, Witt, Zivnuska, & Gully, 2003). In general, actual ratings often turn out to explain a modest part of variance in employee effects of PA (e.g. Culbertson, Henning, & Payne, 2013). There are also some indications that high actual ratings as well as participation in the setting of high goals in PA can result in work overload (M. Brown & Benson, 2005). Further, it has been shown that a substantial positive rating discrepancy – i.e., receiving a rating that is far above one's self-assessment – can be detrimental. Kwak and Choi (2015) showed that employees' turnover intention increased and their LMX decreased with larger rating discrepancy, whether in the positive or negative direction. The authors' explanation for the findings was that rating discrepancy leads to increased insecurity about the PA process and its justice. In Luffarelli et al.'s (2016) three experimental studies, the researchers saw that lenient application of rating criteria in a relative PA system did not lead to higher employee satisfaction. There was a clear preference for a lower rating in a stricter system over the reversed option.

The role of the supervisor-employee relationship when it comes to TM is much less studied. The concept of perceived organizational support, which also stems from the social exchange tradition (Rhoades & Eisenberger, 2002), has however been applied in some studies. Gelens et al. (2015) observed a positive relationship between talent status and perceived organizational support, and also showed that this in turn mediated the effect on affective organizational commitment. Swailes and Blackburn (2016) also found that designated talents perceived higher organizational support.

2.2.2 Psychological contracts

In the TM literature, it has been common to conceptualize effects on employees in psychological contract terms, i.e., the exchange relationship that the employee perceives that he or she has with the organization (Rousseau, 1995). It is assumed that the psychological contract will change when an employee is selected as a high-potential, in the way that higher performance will be expected in return for a faster career development (Dries & Pepermans, 2007; K. A. King, 2016). Since psychological contracts are largely implicit, there is however a risk that employee and employer hold different views on exactly what this new contract entails (Dries & De Gieter, 2014). If the psychological contract aligns with the employer's view, talent designation might lead to higher performance and motivation. If there are discrepancies, however, the result could be frustration, misunderstandings, and ultimately decreased motivation and engagement.

Björkman et al. (2013) and Höglund (2012) both examined the effects of TM from the viewpoint of psychological contracts. Björkman et al. (2013) conducted a survey study and found that employees that had been identified as talents were more accepting of increasing performance demands, and more committed to building competencies and supporting the employer's strategy. They also scored lower on intention to quit. The authors concluded that the findings support the idea that a talent nomination strengthens the psychological contract between employer and employee, and thus leads to a motivational increase. Höglund (2012) came to a similar conclusion. Through interviews and a survey, he showed that skill-enhancing HRM initiatives directed at employees identified as talents seemed to lead to a stronger psychological contract. Höglund (2012) concluded that the differential treatment of employees based on talent criteria can be beneficial for employee motivation. Seopa, Wöcke, and Leeds (2015) conducted a survey study revealing that employees included in talent pools had stronger relational psychological contracts than other employees. Chami-Malaeb and Garavan (2013), utilizing a broader social exchange perspective, found that talent development activities were related to increased intention to stay with the employer as well as increased affective organizational commitment.

Psychological contract fulfillment can also mediate the effect between TM and certain employee outcomes. Khoreva and van Zalk (2016) observed such a mediating effect in the relationship between talents' participation in leadership development and employee engagement. Khoreva, Vaiman, and van Zalk (2017) also showed that psychological contract fulfillment mediated the effect of perceived TM effectiveness on commitment to develop leadership competencies among designated talents.

Even though there seem to be potential positive consequences of being identified as a talent, not all studies have observed them, and they can also be attenuated by different factors. Khoreva and Vaiman (2015) found no relationship between formal talent status and actual participation in leader development activities. Seopa et al. (2015), although finding a positive effect of talent status on relational psychological contracts, found no significant effect on turnover intention. Dries and Pepermans (2008) conducted an interview study among 34 junior employees identified as "high-potential", and their managers. One of the findings was that the employees themselves perceived their high-potential status as a result of innate abilities, whereas organizational representatives emphasized effort. The authors warned that these differing perceptions might lead to both parties holding the other one responsible for career development. In another study based on self-report data, Dries, Forrier, De Von and Pepermans (2014) found – contrary to Björkman et al. (2013) – that chosen high potentials did not take on additional performance obligations or express stronger long-term loyalty than other employees. Dries and de Gieter (2014) saw in their interview study that organizations were often consciously ambiguous about what high-potential status really entailed, which made high-potential individuals frustrated and confused. On a related note, Sonnenberg et al. (2014) showed that the effects of TM on perceived psychological contract fulfillment were weakened if employees considered by the organization as talents were not themselves sure about their talent status, a situation they called talent incongruence. This seemed to be more common in organizations adopting an inclusive approach to TM. The authors explained this by stating that misinterpretation and ambiguity is more probable if there is no official differentiation in TM.

Further, several authors have noted that talent designation seems to make employees more conscious of the exchange relationship with the organization (De Boeck et al., 2017). This may benefit some outcomes, but may in the long run also create unintended consequences. For instance, Ehrnrooth et al. (2018) on the one hand found that the employer's psychological contract fulfillment had a stronger effect on felt obligations to improve and accept high performance demands for designated talents that were aware of their status than for those unaware of it. Furthermore, on the other hand, the study found that the relationship between performance feedback and felt obligations was weaker for designated talents aware of their status. These results could imply that talents, while becoming more sensitive to contingent reward, also become less sensitive to feedback.

In sum, research conducted to date shows that changes in psychological contracts following TM decisions might lead to higher commitment and motivation, but also that there seem to be boundary conditions for these relationships since they do not always appear.

2.2.3 Organizational justice

Besides the supervisor-employee relationship, one of the most studied determinants of PA effects on employees has been perceived organizational justice (Cawley, Keeping, & Levy, 1998; Thurston Jr & McNall, 2010; Tripp, Sondak, & Bies, 1995). This factor, stemming from equity theory (Adams, 1963), has been shown to be an important determinant of employees' satisfaction with the PA system and their own appraisals (Dusterhoff, Cunningham, & MacGregor, 2014; Jawahar, 2007; Krats & Brown, 2013).

This satisfaction in turn has been associated with organizational citizenship behavior (OCB) towards the organization and towards the supervisor (Thurston Jr & McNall, 2010) as well as with job satisfaction (Yamazaki & Yoon, 2016). Thus, the extent to which employees perceive the PA process and outcome as fair has a substantial effect on how the PA is received and how it influences attitudes and behavior. Perceived justice has usually been conceptualized as having four different facets: Distributive justice, meaning one's view on the actual allotment of resources that one receives; procedural justice, denoting the employee's view on the soundness of the process and criteria guiding resource distribution; informational justice, implying perceptions of how well one was informed about the process and how the outcomes were decided on; and finally interactional justice, denoting the extent to which the employee perceived to be treated in a respectful and kind way by the person(s) conducting the resource allocation process (Colquitt et al., 2001). Sumelius et al. (2014) performed a qualitative interview study with both managers and employees in a number of MNCs, and found that perceptions of both procedural and distributive justice were crucial in shaping employees' reactions to PA practices.

When justice perceptions are low, employees tend to be less optimistic about their own future within the organization. Nurse (2005) found in his study that low perceptions of justice in PA were associated with lower expectations for one's own career development and development opportunities. There is furthermore an association between justice perceptions and the employee's relationship to the closest manager. Tekleab, Takeuchi, and Taylor (2005) found evidence for a model where employees' perceived procedural justice in PA was related to perceived organizational support, whereas perceived interactional justice was related to leader-member exchange. Both these in turn were related to job satisfaction. Byrne, Pitts, Wilson, and Steiner (Byrne, Pitts, Wilson, & Steiner, 2012) showed in their study that perceived supervisor support mediated the effect of interactional and informational justice on trust in supervisor, but not the effect of distributive and procedural justice. According to the authors, this can be explained by the fact that distributive and procedural justice are seen as emanating from the organization as a whole, while the two first-mentioned types of justice are perceived as being driven by the manager. Jacobs, Belschak and den Hartog (2014) conducted a study within the police, and found that perceived organizational justice in PA predicted both ethical (a positive correlation) and unethical behavior (a negative correlation). Both relationships were mediated by perceived supervisor support and work affect.

There are also studies showing that effects of PA on employees are influenced by perceptions of politics, bias, and manipulations in the rating system. Reinke (2003) showed that perceptions of favoritism undermined acceptance of the PA system among employees. Poon (2004) saw in his study that perceptions of rating manipulation for political reasons lead to lower job satisfaction, which in turn lead to higher intention to quit. The belief that ratings were manipulated for motivational reasons, on the other hand, had no effect on the outcomes.

Organizational justice has also been used in some studies of TM's effects. Gelens et al. (2013) launched this construct as a potentially valuable lens for studying individual-level effects of TM. O'Connor and Crowley-Henry (2017) proposed a similar framework, arguing that different facets of perceived justice could both mediate and moderate the effects of TM practices on engagement and turnover. In an empirical study, Gelens et al. (2014) surveyed 203 employees in one company. The study revealed that the identified high-potential employees had significantly higher perceptions of distributive justice than employees not identified as high-potential, and this factor mediated the relationship between talent status and job satisfaction. That is, the positive effect of talent status seemed to be at least partly realized through higher perceptions of fairness in resource distribution. Further, the study showed that perceived procedural justice moderated the effect of perceived distributive justice on work effort. That is to say, the negative effects of not getting a talent nomination were dampened when the selection process was deemed fair. Sonnenberg et al. (2014) also found that when many employees considered themselves as talents without having received a nomination, this powerfully mitigated the overall positive consequences of TM for the organization. Having a large group of employees feeling wronged by the talent nomination process can thus have severe detrimental effects on overall motivation and engagement in the organization. Marescaux, De Winne, and Sels (2013) conducted one of the largest empirical studies taking the "non-talents" into account, surveying 13,639 employees. Results revealed that the negative effect on affective organizational commitment produced by low favorability of HR decisions was larger than the corresponding positive effect produced by high favorability. The authors concluded that reactions of employees feeling wronged can equal out or even override the positive effects on designated talents. Swailes and Blackburn (2016) in their survey study of the effects of talent pool membership chose to present their findings from the viewpoint of the non-selected: This group showed lower perceived organizational justice and more negative views on their future within the organization. Overall, however, the effects of particularly non-designation in TM on justice perceptions are still largely understudied (Swailes & Blackburn, 2016). Both Gelens et al. (2014) and Sonnenberg et al. (2014) emphasized that a lot more research is needed on the role of perceived organizational justice in relation to TM.

Some studies have also looked into the role of other perceptions of the differentiation practice, besides justice (e.g. M. Brown, Hyatt, & Benson, 2010; Mayer & Davis, 1999). For one, Malik, Singh, and Chan (2017) found that talent designation was significantly and positively correlated to affective organizational commitment, loyalty, job satisfaction, and OCB, and that the relationships were mediated by commitment-focused attributions. That is; employees' perceptions that the organization designated certain employees as talents in order to increase their commitment, rather than e.g. to create competition or punish low-performers (cf. Nishii, Lepak, & Schneider, 2008). Talents were also more prone to commitment-focused attributions when they had high organizational trust. Sumelius et al. (2014) in their qualitative study also found that that perceptions of the PA system's visibility and validity, e.g. in terms of consistency, clarity, and continuity, contributed to more favorable reactions.

2.2.4 Identity and identification perspectives

Identity perspectives have not been well-represented in literature on TM and PA. More specifically, very few studies have investigated the role of social identity in differentiation practices' effects on employees. One rare example in the PA literature is Campbell (2015), who showed that there was an association between the introduction of PA and change-oriented OCB among employees, and that this relationship was almost fully mediated by identification with the department. Campbell (2015) concluded that PA can constitute a fruitful way of fortifying organizational identity, since it can – if well-handled – align employees' interests with those of the organization.

In TM research, Tansley and Tietze (2013) applied the concept of identity work in a qualitative case study of participants in a large management consultancy's talent program. They showed that designated talents engaged in substantial identity work to be able to display the "proper" selves at the different stages of the talent program. As regards social identity theory, de Boeck et al. (2017) stated that this perspective is largely missing from research on employee reactions to TM. A few studies have however recently related identification to TM in different ways. Björkman et al. (2013), in a study which however mostly drew on a social exchange framework, found that employees who perceived they were identified as talents exhibited stronger identification with their unit, and stronger identification with the organization than those who said they did not know whether they were considered as talents. Khoreva and van Zalk (2016) found that organizational identification partially mediated the relationship between participation in leadership training and work engagement. Again, however, the theorizing drew primarily on social exchange theory. Khoreva, Kostanek, and van Zalk (2015) showed that organizational identification predicted several positive attitudes, and so did talent status, but these two variables were not found to be related. Thus, there are some initial findings showing a potential connection between talent designation and identifications, but also indications that this relationship is not always found. This could be taken to indicate that the relationship is complex and subject to boundary conditions.

2.2.5 Summary: State of the research

As evident above, research on the effects of differentiation on employees has provided a number of valuable insights, particularly in clarifying the influence of relational and justice aspects in the process. The supervisory relationship, as well as the perceived justice of the differentiation practice, appear as two well-established determinants of differentiation's effects. The research has also established psychological contracts as an important mechanism through which employee-level effects come to form. Nevertheless, important gaps still remain. Prominently, there are still conflicting findings as to how actual ratings in PA and TM influence employee-level outcomes. With regards to TM, the limited number of studies conducted have provided indications of potential positive effects for chosen talents, and potential negative consequences for both chosen and non-chosen employees. There are however a number of contradictory findings, regarding e.g. the extent to which designated talents become more loyal or committed to the employer. More research is thus needed in the TM area, to try and map effects on employees more fully and systematically.

It can also be noted that research has been dominated by quantitative, hypothesis-testing studies. One limitation of this type of method is that it becomes difficult to explore mechanisms, processes, as well as contextual influences (Van de Ven, 2007). This problem is highly relevant in the case of differentiation's effects on employees, since knowledge is still so limited. Especially with regards to TM – and the type of PA that serves to inform TM – one could argue that we still do not know fully what potential effects to look for. A wider variety of methods, including longitudinal and qualitative approaches, should therefore be desirable. This would also allow for new and potentially important moderating factors to be explored, besides the widely-researched ones like LMX and perceived organizational justice.

On the theoretical level, it is clear that social exchange perspectives have held a dominant role when it comes to explaining employee-level effects of both PA and TM. This has led to important insights, not least regarding the importance of high-quality social exchange, but social exchange perspectives also have trouble accounting for some empirical phenomena. For one, social exchange theory has not provided explanations for why talent designation should sometimes lead to increased willingness to exert effort, and at other times not. Due, in large part, to the dominance of social exchange and organizational justice perspectives, research has furthermore tended to omit the more symbolic aspects of employee differentiation's effects. As noted by de Boeck et al. (2017) in their review of the literature, social exchange perspectives tend to be more adequate in explaining the effects of concrete TM resources, such as training, than effects of the mere label “talent”. This is logical, in the sense that social exchange perspectives conceive of TM, and PA as well, as the distribution of valuable resources. The labels produced by TM and PA however also carry signaling effects (Bowen & Ostroff, 2004; cf. Dries & De Gieter, 2014), which are less accounted for in current research. As noted by de Boeck et al. (2017), these effects might be better accounted for with an identification lens.

Further, research on differentiation’s effects on employees has tended to ignore the importance of the social setting of the workplace. Besides the dyadic relationship with the closest manager, widely studied not least in work drawing on LMX, social aspects have to a large extent been missing in this research. Not least, few studies seem to have taken into account the role of social groupings, categories, and affiliations in the workplace. These types of effects could be influenced and shaped by identifications (Ibarra, Wittman, Petriglieri, & Day, 2014; Miscenko & Day, 2016).

One reason for this long-standing lack of studies taking an identification view on differentiation might be that the focal construct of this theory, organizational identification, for a long time seemed to overlap with organizational commitment (Edwards, 2005; Pratt, 1998). The most widely used scales for these two states often showed high intercorrelations, which led some scholars to argue that organizational identification lacked practical usefulness (Pratt, 1998; Van Dick, 2001). Since organizational commitment has been one of the most widely used outcome measures in studies on employee effects of PA, it is not very surprising that identification as a potential mediator was not very popular.

Lately, however, a number of scholars have taken up this issue. There have been convincing theoretical arguments for the notion that organizational identification and organizational commitment are indeed separate constructs (van Knippenberg & Hogg, 2018). Edwards and Peccei (2007), for example, stated that organizational commitment is a wider concept than organizational identification, including aspects such as pride, intention to stay, and intention to engage in OCB. Organizational identification, on the other hand, does not according to the authors include evaluative judgments of the organization, nor actual behaviors. They argued, based on Edwards (2005), that organizational identification be defined as a deeply felt self-defining bond with the organization. They also suggested that the major reason for the confusion between the two is that many of the main conceptualizations of organizational commitment (Cook & Wall, 1980; Meyer & Allen, 1991; Mowday, Steers, & Porter, 1979) contain aspects that rather pertains to identification. More concretely, Edwards and Peccei (2007) pointed to specific items in widely used scales of organizational commitment that rather targeted organizational identification, and hence should be discarded. Since, a number of studies have taken their advice and excluded such items from e.g. Meyer and Allen's (1991) well-used scale of organizational commitment (e.g. Stinglhamber et al., 2015). This clarification of the distinction has opened up for more studies adopting an identification lens on employees' bonds to different entities in working life.

In sum, research on the effects of differentiation on employees has yet to account for the symbolic aspects of these practices. Particularly, reactions related to the self-image of employees and the social groupings in the workplace deserve further exploration. In the next session, an identification framework for studying these effects will be outlined.

Chapter 3

Theoretical framework

In this section, the theoretical framework for this thesis will be presented. The first part will provide a general argument for studying employee differentiation from an identity perspective. After this, I will move on to briefly discussing social identity theory as the basis for my conceptualization. Then follows an introduction to the notion of multiple identifications as a key concept for understanding the dynamics shaping employee-level outcomes of differentiation. This literature is then integrated into a proposed framework for how identifications function both as mechanisms and boundary conditions for the effects of differentiation on employees.

3.1 Identity as a lens for studying the effects of differentiation

As we have seen, social exchange theory and organizational justice have been the major theoretical perspectives so far for studying the effects of differentiation practices on employees. This has provided us with valuable insights about e.g. the effects of different kinds of resources (e.g. economic versus socioemotional ones), the dyadic relations between supervisor and employee, psychological contract breach, and fair procedures. However, these perspectives also have limitations that call for new theoretical conceptualizations of differentiation's effects on employees.

First, as mentioned above, existing theoretical frameworks tend to fail to account for the symbolic functions of PA and, most notably, TM. As pointed out by Tansley and Tietze (2013), TM not only serves the function of channeling additional resources to high-performing, high-potential employees. It also plays the more symbolic role of signaling that these employees have a certain status, certain characteristics, and certain group belongings (Bowen & Ostroff, 2004; cf. Fuller, Hester, Barnett, Frey, & Relyea, 2006; Restubog et al., 2008). The same can, at least to some extent, be said about performance ratings. These functions are difficult to account for using current theoretical perspectives (de Boeck et al., 2017).

Second, there have been paradoxical findings that are not explained by existing frameworks. As noted above, findings have been mixed regarding the effects of talent designation on employee attitudes and behavior (De Boeck et al., 2017; Gallardo-Gallardo & Thunnissen, 2016). While talent designation sometimes has been shown to lead to more positive attitudes and behaviors, other studies have failed to find such an effect or even noticed an opposite outcome (Bethke-Langenegger, 2012; Björkman et al., 2013; Dries et al., 2014; Khoreva & van Zalk, 2016). In the same vein, high performance ratings have sometimes been shown to lead to increased motivation and work effort, but at other times not (Blanes i Vidal & Nossol, 2009; Casas-Arce & Martínez-Jerez, 2009; Culbertson et al., 2013; Pichler, 2012). As pointed out by de Boeck et al. (2017), this indicates that there are dynamics involved in shaping employee reactions to differentiation that are yet to be accounted for. In order to explain the contradictory findings, new theoretical perspectives may be necessary.

Third, current conceptualizations have not to any larger extent considered the intergroup aspects of differentiation practices. Doubtlessly, PA research based on social exchange theory has long taken dyadic social aspects into account, by e.g. demonstrating the important role of leader-member exchange and social support in this process. Nonetheless, social exchange as well as organizational justice perspectives still tend to depict the employee as a lone actor whose reactions primarily relate to his or her individual relationship to the organization or manager (Ellemers, De Gilder, & Haslam, 2004). Few studies seem to have considered that differentiation could have implications for the individual's belonging to different social groups, and also for the relationships between such groups in the workplace. New social categorizations tend to be especially marked when people are segmented according to dimensions that are of high importance to them (Tajfel, 1981). Parameters such as performance and future potential are likely to qualify as such highly important dimensions, considering that they target very personal characteristics. The resulting group constellations could have important implications for intergroup behavior.

Finally, since the TM literature is still young, we do not fully know which effects to look for. There may be unexpected and unintended outcomes of differentiation that are yet to be uncovered. In line with this, there have been repeated calls in TM literature for further theorizing within the field (Al Ariss et al., 2014; Scullion, Collings, & Caligiuri, 2010).

An identity perspective addresses these shortcomings. By looking at employee differentiation as identity-relevant activities, we better understand their deeply personal and sensitive meaning. From many decades of social psychological research, we know that the self-image, including the perception of how others see me, is a core feature of the human mind and tied to a lot of emotion (Festinger, 1954). We also know that people are willing to go through a lot of effort to acquire, preserve, and confirm a stable and preferably positive self-image (Ashforth, 2001; Haslam & Ellemers, 2005; Swann, 1990). Since differentiation practices claim to carry information about who the individual is, they become relevant to the individual's pursuit to maintain a favorable self-image. Hence, employees' reactions to differentiation go beyond the sense of just or unjust distribution of resources, or a better or worse relationship with one's employer. The differentiation is perceived to signal something about one's person, which tends to make the stakes a lot higher (cf. Tansley & Tietze, 2013). In this respect, an identity perspective can also better account for the effects of those differentiation practices that bestow no concrete resources to the individual (Meyers, de Boeck, & Dries, 2017). Identity-related effects, according to social identity theory, depend primarily on categorizations, which means that a label such as "talent" or "low-performer" is usually enough to spark them (Turner, 1985).

An identity perspective may also help to shed light on some of the paradoxical findings of current research. For instance, what distinguishes a successful differentiation practice from a less successful one might be its ability to influence employees' self-images. Further, pre-existing differences in identity may influence how employees perceive and react to differentiation. This may help us identify boundary conditions of differentiation's effects.

In addition, an identity perspective puts focus on the intergroup behavior involved in differentiation, i.e., the ways in which different social groups perceive and interact with each other in the workplace (Tajfel, 1981). For one, it highlights the importance of looking at how the different social categories created through differentiation – e.g., highly rated and low-rated employees in PA – relate to each other.

Further, on a broader level, several scholars have pointed out that identity constitutes an increasingly central function of work in the knowledge economy (Albert, Ashforth, & Dutton, 2000; Alvesson, 2000; Alvesson & Willmott, 2002). For employee groups that are attractive on the job market, finding work that satisfies more basic requirements such as good pay and challenging work is often default. When such needs are catered to, work increasingly becomes a marker of identity. Where one works, as well as one's standing within this organization, serves to signal to the world who one is. Indeed, not least TM can be seen as a response from employers to this development. Hence, it could be argued that the function of differentiation practices is just as much symbolic as it is distributive or transactional (cf. e.g. Tansley & Tietze, 2013).

Viewing differentiation practices as identity-affecting will thus help us gauge the full scale of employees' reactions to them. More specifically, I will argue that social identity theory can provide new answers to some of the focal questions within the field of employee differentiation. Below, I will very briefly mention important streams of identity literature within the management field, in order to situate the thesis. Then follows a brief introduction to social identity theory and the key concept identification. I will then move on to focus more specifically on the part of the social identity theory literature that addresses multiple identifications, arguing that this perspective is highly relevant for understanding the dynamics set in motion by differentiation. This is followed by the development of a specific framework for understanding the role of multiple identifications in employee reactions to differentiation.

3.1.1 Identity literature in management studies

The identity literature in management studies is large and sprawling, and a lot more ontologically and epistemologically diverse than what falls inside the scope of this thesis. Ibarra et al. (2014) discerned three large streams that have been both dominant and prolific. The first revolves around role identity theory, sometimes just called identity theory, which stems from symbolic interactionism (Burke & Stets, 2009; Stryker & Burke, 2000). From this perspective, identity is conceived of in terms of roles that the individual adopts in different contexts. The second is the stream sprung from social identity theory, which will form the main basis for this thesis and will be elaborated on in detail below. Third, there is an identity literature championed by e.g. Alvesson, with its focal concept of identity work (Alvesson & Willmott, 2002; Snow & Anderson, 1987). In addition, one can mention psychodynamic perspectives (Driver, 2009), which take an interest in the partly unconscious processes through which identity is shaped by desires, affect, and internal conflicts.

The theoretical framework used here will mainly draw on social identity theory, which suits the research approach and epistemological view of the thesis. In what follows, a more detailed account of social identity theory will be presented.

3.2 Social identity theory and identification

Social identity theory was developed by Henri Tajfel (Tajfel, 1978, 1981) and John Turner (Turner, 1975, 1982, 1985) as a part of the social psychological tradition within psychology. The theory posits that identity fulfills two central psychological needs: To reduce uncertainty about ourselves and others, and to maintain a positive self-image. The basic tenet is that we, in order to satisfy these two needs, adopt not only a personal identity relating to our idiosyncratic characteristics, but also a number of social identities, or identifications, stemming from different group belongings. Social identity, according to Tajfel, is "that part of an individual's self-concept which derives from his knowledge of his membership in a social group, together with the value and emotional significance attached to that membership" (Tajfel, 1981, p. 63). Thus, Tajfel followed Festinger's (1954) lead in stating that people derive significant parts of their self-esteem from group memberships.

Social identity theory also states that the forming of a social identity takes place through three related processes, the first one being *self-categorization*. This notion was elaborated on by Turner (1982, 1985) in self-categorization theory, which is closely linked to social identity theory.[5] Categorization does not require liking or attraction: It suffices that a significant similarity between the individual and the social category in question becomes salient. Categorization, however, is not enough for the affiliation to start influencing our behavior, attitudes, or values. The subjective importance of the category hinges on the second process mapped out by social identity theory, which is *social comparison*. During this stage, the person evaluates the group's relative status. He or she also tries to observe the group's norms and the members' typical features, in order to compare this to his or her self-image and see if there is a match. As mentioned above, social identity theory states that the individual will try to evaluate the ability of the group to provide at least one of two resources: Increased security about oneself, and an enhanced self-image (Tajfel, 1981). If the result of the social comparison is positive, the third process follows: *Social identification,* whereby the individual begins to integrate the group into his or her own self-image. At this point, the social identity will begin to influence the individual's behavior, attitudes, and values. In current literature, the term identification is used not only to describe this process but also its result: The state of identifying with a certain target (cf. Ashforth & Mael, 1989).

Social identities wield their influence through the so-called group prototype: A vague set of characteristics that are perceived to make up the ideal group member (Tajfel, 1978). This is not necessarily the typical member in any statistical sense, but rather a standardized view of the traits, behaviors, and attributes that best reflect the group's values. A prototype, thus, can be

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[5] In short, self-categorization theory deals specifically with the more cognitive aspects of identity, while social identity theory is the more general theory.

described as a personalization of group norms (Hogg, Abrams, Otten, & Hinkle, 2004). When an individual identifies with a group, he or she will start comparing him- or herself to the group prototype, adapting his or her behavior and attributes accordingly.

Social identity theory was taken up by scholars in the management field on a wide scale following a seminal article by Ashforth and Mael (1989). The authors argued for social identity theory, and particularly the concept of social identification, as a fruitful way of studying employee-level processes and outcomes in organizations. Social identification was here defined as "the perception of oneness with or belongingness to some human aggregate" (Ashforth & Mael, 1989, p. 21). Since this "human aggregate" would in this case be the organization, the term *organizational identification* was coined. The authors further argued that a strong identification with the organization among employees should have a number of desirable consequences. They further conducted an initial empirical study where they also developed a new scale for measuring organizational identification (Mael & Ashforth, 1992). Their study showed that college alumni's identification with their former school was associated with making financial donations, recommending the college, and being active in various school functions. Since these influential pieces, literature on organizational identification has been extensive (Miscenko & Day, 2016). It has consistently established the relationship between organizational identification and a number of outcomes, such as decreased turnover (van Knippenberg & van Schie, 2000) and citizenship behavior (Riketta, 2005; van Dick, van Knippenberg, Kerschreiter, Hertel, & Wieseke, 2008). Research has also been notably homogenous in terms of epistemology and meta-theoretical considerations: Unlike the sprawling literature on identity in organizations more generally, identification literature has remained dominantly functionalist (He & Brown, 2013).

Interestingly, the social identity perspective has been rather underrepresented in differentiation research, most notably in TM literature (de Boeck et al., 2017). In order to grasp the role of identification in shaping differentiation's effects, it will be necessary to recognize that employees can attach their self-image at work to several targets besides the organization. We turn, therefore, to the growing literature on multiple identifications.

3.3 Multiple identifications

Current identity literature, regardless of stream, widely acknowledges the fact that people hold various identities and that these change over time (Ashforth & Johnson, 2001; Ibarra et al., 2014; Stryker & Serpe, 1982). The social identity theory literature is no exception. Although identification with the organization has remained the most studied aspect of social identity in management literature, researchers have increasingly recognized that working life offers employees "many hats to wear" (Ashforth & Johnson, 2001). That is, the employees may attach their self-image to different social collectives available in the workplace, not just the organization as a whole. These different "hats" are usually called *identification targets*, or just targets. The idea was pioneered by van Knippenberg and van Schie (2000), who mostly distinguished between the organization and the workgroup as targets of identification. Differences in targets of identification should, according to the authors, have implications for important attitudinal and behavioral outcomes. Since, there have been a number of studies elaborating on the idea. Most have focused on the two targets emphasized by van Knippenberg and van Shie (2000). Other targets include the employee's unit, department, profession, and cross-cutting groups such as committees and boards (Miscenko & Day, 2016; Riketta & van Dick, 2005). Literature has also expanded to include targets that do not represent collectives or groups, such as one's supervisor and career (Millward & Haslam, 2013; Sluss & Ashforth, 2007).

One identification target that has received very limited attention is the management function. As a rare exception, Fuchs (2011) developed and tested a measure of identification with top management. He motivated this with the theory of charismatic leadership, stating that charismatic leaders tend to transform the self-concepts of their employees. As a salient and influential collective within the vast majority of organizations, it is somewhat surprising that this target has not been further studied.

Literature has also been devoted to the outcomes of different identifications (Ashforth, Harrison, & Corley, 2008; Miscenko & Day, 2016). It has largely been based on the so-called correspondence of focus hypothesis (van Dick, Wagner, Stellmacher, & Christ, 2004), which states that a certain identification should primarily lead to outcomes at the same level of inclusion. For instance, identification with the organization should lead to increased effort on behalf of the organization, while identification with the workgroup should rather increase willingness to make efforts for the workgroup. Empirical findings have generally supported this view (Christ, Dick, Wagner, & Stellmacher, 2003; Edwards & Peccei, 2007; Olkkonen & Lipponen, 2006; Riketta & van Dick, 2005). Studies of antecedents have been fewer, but have also tended to adopt this perspective. Results illustrating how identifications are influenced by antecedents at a corresponding level have been reached in a handful of studies (Bartels, Pruyn, De Jong, & Joustra, 2007; Edwards & Peccei, 2007; George & Chattopadhyay, 2005; Horstmeier, Homan, Rosenauer, & Voelpel, 2016; Olkkonen & Lipponen, 2006).

Only very few studies have investigated whether identification patterns differ between employee categories. Horton, McClelland and Griffin (2014) found that employees in operational positions identified more with their workgroup, while those in strategic positions identified more with the organization. The authors stated that these results could be explained by the fact that the latter group works closer to the overarching issues of the organization.

As we shall see below, the concept of multiple identifications represents a fruitful lens for understanding the dynamics set in motion by employee differentiation. In order to delineate a conceptual framework for this, I will first address how different identifications relate to each other.

3.3.1 Interrelations of multiple identifications

Research has also taken an interest in how different targets of identification relate to one another. Several insights have been provided. First, some identifications seem to be more consistently salient and strong than others. Riketta and van Dick (2005) showed in their meta-analysis that workgroup identification generally is stronger than organizational identification. According to the authors, this is to be expected since people relate more to, and are more visible in, smaller groups. It can also be explained from field theory (Lewin, 1943), which contends that cognition and behavior is more strongly influenced by proximal factors.

Second, research has shown that employees can indeed hold multiple identifications simultaneously. While classical social identity theory proposes that only one group belonging can be salient to the individual at any given time, recent research has rather found that many identifications can indeed influence the individual concurrently (Chen, Chi, & Friedman, 2013; Hekman, Bigley, Steensma, & Hereford, 2009; Ramarajan, 2014; Schuh et al., 2016).

Third, identifications can have different interrelations: Two targets can be more or less synergetic or antagonistic. In general, it seems to be more common for identifications to work in synergy (Hekman, van Knippenberg, & Pratt, 2016; Miscenko & Day, 2016). For instance, many studies have found that workgroup and organizational identification generally work to fortify each other's' positive effects (Richter et al., 2006; van Dick et al., 2008).

The relationship between organizational and professional identification,[6] on the other hand, has proven to be more complex. The potential opposition between these two was noted already by Gouldner (1957), with his classical distinction between locals (employees identifying with the particular employer) and cosmopolitans (employees identifying with their particular expertise). Studies have continued to show that professional identification often conflicts with organizational identification, and other intra-organizational targets (Gunz & Gunz, 2007; Hekman, Bigley, et al.,

[6] Professional identity has attracted vast interest from many other theoretical perspectives besides the social identity literature (Miscenko & Day, 2016). In fact, as pointed out by Ashforth et al. (2008), professional identification has historically been under-researched within the social identity tradition, which has instead regarded organizational identification as its focal concept. According to Ashforth and colleagues, this is due to social identity theory's focus on collectives rather than roles. Indeed, literature in the role identity theory tradition (e.g. Burke & Stets, 2009; Stets & Burke, 2005) has shown greater interest in professional identity, as well as literature streams focusing more on the macro-level dynamics of identity. Importantly, institutional theory has contributed to our understanding of how professional logics may come to collide with both bureaucratic and managerial logics in organizations (Bévort & Poulfelt, 2015; Kaiser, Kozica, Swart, & Werr, 2015). Over the last decade, however, social identity theory scholars have increasingly taken an interest in the profession as a target for identification, and more research is still called for (e.g. Ashforth, 2016).

2009; Hekman, Steensma, Bigley, & Hereford, 2009; Mitchell, Parker, & Giles, 2011). This is usually explained by pointing to the so-called professional logic, which will tend to imply that members of the profession are primarily loyal to the guild rather than to a specific organization (Ackroyd, 1996; Barbour & Lammers, 2015). However, recent research has shown that opposition is not always the case. Hekman et al. (2016) showed that both targets can produce the same pro-organizational behaviors. They also noted that a number of prior studies had actually found clear positive relationships between the two identifications (Hekman, Bigley, et al., 2009; Johnson, Morgeson, Ilgen, Meyer, & Lloyd, 2006). More research is thus needed on the role of professional identification vis-à-vis other identification targets.

Regarding management identification, as stated above, empirical studies are very few. Fuchs (2011) and Fuchs and Edwards (2012) however found that top management identification, as well as identification with one's supervisor, made employees less prone to engage in anti-change behavior even when they perceived the organizational change to be unjust.

In sum, the concept of identification targets has proven fruitful to attain a more fine-grained view on employees' work-related self-images. Van Knippenberg and Hogg (2018) concluded that research clearly supports the importance of multiple identifications in shaping work behavior, and that these are not equivalent to each other. As pointed out by e.g. Miscenko and Day (2016), more research is needed to further untangle the relationships between different targets, as well as their relationships to different positions in an organization.

We now turn to the integration of the above-reviewed research into a framework for understanding how the effects of differentiation on employees are shaped.

3.4 A framework for understanding the role of identifications in differentiation

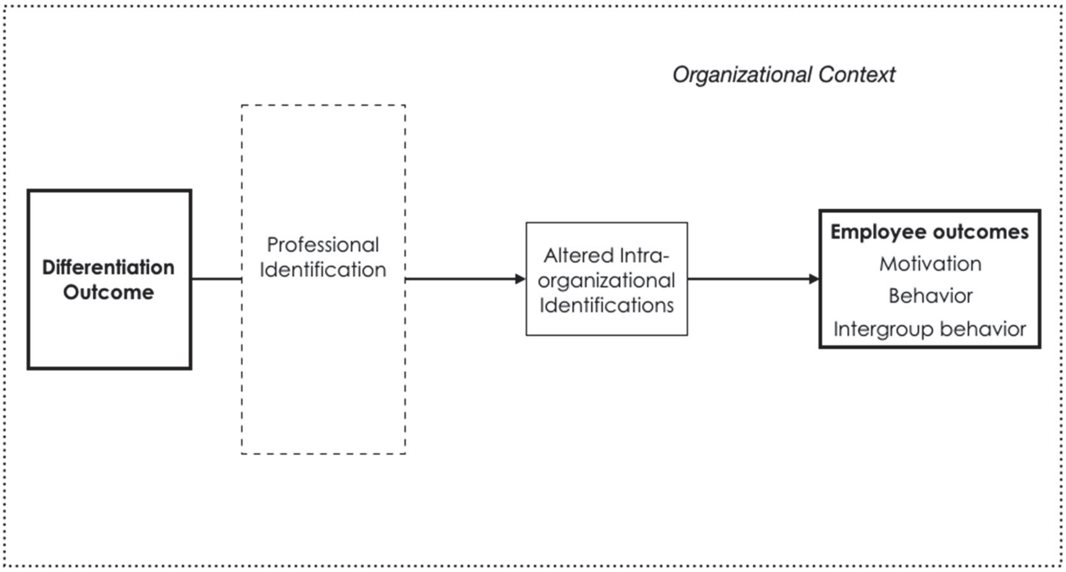
As mentioned previously, the lack of social identity perspectives in particularly TM research has been pointed out in recent literature. De Boeck et al.

(2017) and Meyers et al. (2017) both stated that social identity theory could help explain not least the more symbolic aspects of TM's effects: Those that have less to do with resource allocation, and more with the meanings attached to the talent label itself.

A multiple-identifications view highlights that differentiation practices may put into play rather multifaceted dynamics entailing several different group belongings. Instead of viewing differentiation as the allotment of valuable resources, or as a more or less fair procedure, it can be thought of as the provision of different "hats to wear" (Ashforth & Johnson, 2001) for employees. More or less consciously, the differentiation outcomes refer the employee to certain social belongings in the workplace. Further, the degree to which employee differentiation leads to such "changes of hats" may depend on the pre-existing identifications held by the employee. Hence, this perspective enables us to discern new potential mechanisms and boundary conditions for the effects of employee differentiation.

In what follows, I will detail a framework for how employee reactions to differentiation can be understood from a multiple-identifications perspective. Specifically, I will argue that identifications can function both as a mechanism for the effects of employee differentiation, and as a perceptual filter influencing how differentiation outcomes are conceived of and reacted to. It will also be highlighted that identification brings to the fore somewhat different outcomes than e.g. a social exchange or organizational justice perspective. The framework is depicted in Figure 1.

Figure 1. Theoretical framework for the role of identifications in employee reactions to differentiation.



3.4.1 Identifications as a mechanism for the effects of differentiation

The framework specifies altered intra-organizational identifications as a potential mechanism for the influence of differentiation ("differentiation outcomes" denoting the ratings an individual receives in PA and TM). The notion that differentiation will affect how employees view themselves and their group belongings can be derived from foundational social psychological theories of the self (e.g. Festinger, 1954) and, more specifically, from social identity theory (Tajfel, 1981; Turner, 1978). There is reason to assume that the criteria used in employee differentiation (such as future potential, general intelligence, leadership talent) are intimately associated with people's self-concept. Further, identification tends to change in response to organizational practices and procedures (Ashforth, 2001), and when one's situation at work changes (Ibarra & Barbulescu, 2010; Meyer, Becker, & Van Dick, 2006). Zagenczyk, Gibney, Few, and Scott (2011) affirmed that "symbolic elements of the employer-employee relationship have important implications for organizational identification and disidentification" (p. 275).

As Ashforth and Mael (1989) point out, when employees perceive they are being treated favorably by the organization, they are more likely to integrate the organization into their self-image. Conversely, if treatment is perceived as unjust, dis-identification may ensue (Kreiner & Ashforth, 2004).

There is also reason to expect that multiple identifications may be involved in employee reactions to differentiation. Being designated as a talent, or receiving a certain performance rating, may carry information about several different group belongings. However, for at least three reasons, it remains unclear exactly *which* identification targets that should be influenced by differentiation, and how they should be influenced. First, it is not completely clear at which level differentiation practices are perceived to operate. As stated above, the scarce research conducted on the antecedents of identifications has tended to adopt the correspondence of focus hypothesis, stipulating that a certain identification should be influenced by factors at the same level of abstraction (van Dick et al., 2004). However, differentiation could be seen as emanating from several different actors or targets within the organization: The sender of a performance rating or talent designation could be the supervisor, the HR function, the management function, or the organization as a whole. Second, there is a possibility that differentiation – particularly TM – may induce identification with completely new targets. That is; the status as a talent or high-potential could be perceived as opening up new group belongings that the individual has not thus far reflected on. Third, one and the same differentiation practice may induce identification with different targets, depending on one's individual outcome. It is not certain, for instance, that a very low performance rating will make salient the same group belongings as a top rating.

One qualification that can be made, however, is that differentiation practices are more likely to influence identification with targets that are internal to the organization. The distinction between internal and external targets is not too often made in identification literature. However, analogous support for its usefulness can be derived from literature on the multiple targets of commitment, which often finds that internal targets have common antecedents (e.g. Yalabik, van Rossenberg, Kinnie, & Swart, 2015). Even though differentiation practices can be ambiguous in terms of origin and meaning, they clearly pertain to the organization's inner life. Although there might be exceptions, it is primarily the individual's status within the organization that is affected by PA and TM. It can thus be expected that differentiation outcomes shape employees' identification with such targets as the organization, the workgroup, and also the management function. With regards to the organization, identification might be stronger among employees receiving high performance ratings or a talent designation. Arguably, these differentiation outcomes should make the organization a more certain source of an attractive self-image (cf. Tajfel, 1981). Identification with the workgroup could increase or decrease following high ratings or a talent designation, depending on whether the workgroup and organization are seen as aligned in terms of interests and norms (Vora & Kostova, 2007). The seldom-studied identification target of management could also prove to be highly relevant in the context of differentiation, since especially talent designation can be seen as a signal of increased proximity to the upper echelons of the organization (Gallardo-Gallardo et al., 2013a). Article 2 provides a qualitative examination of the intra-organizational identifications brought to the fore by the (non-)designation as a talent. Article 3, consecutively, draws on the findings from article 2 to test whether two intra-organizational identifications may function as a mechanism for the effects of talent status and talent review ratings.

In turn, these identifications are likely to relate to several behavioral outcomes. As shown in the above literature review, identifications have consistently been shown to predict a range of employee outcomes. There is, for instance, a well-established positive correlation between organizational identification and outcomes such as turnover intention and OCB (e.g. Riketta, 2005; Miscenko & Day, 2016). In articles 3 and 4, these outcomes are investigated in relation to talent designation. In article 1, furthermore, we explore outcomes related to organizational change, namely change acceptance and change resistance, in relation to employees' performance ratings.

For some outcomes, identification can be viewed as an alternative mechanism to those proposed in social exchange theory. This applies, for instance, to OCB and turnover intention, where there is prior research support for both types of mechanisms working in parallel in response to organizational treatment (Caesens, Marique, & Stinglhamber, 2014; van

Knippenberg & Hogg, 2018). However, an identification perspective also brings to the fore somewhat different consequences than other conceptualizations. For one, identifications influence the quality of motivation: Which types of goals and tasks we find motivating (Maurer & London, 2015). That is; one identification does not necessarily make us more or less motivated overall, but affects the nature of the motivation. This is related to the fact that identification determines who we adopt as role models (Hekman et al., 2016), and whose interests we are motivated to promote (Ellemers et al., 2004; van Knippenberg & van Schie, 2000). Someone who identifies with the small team or workgroup, for instance, is likely to adopt goals and drivers related to the wellbeing and success of that group. In contrast, someone who identifies with a whole MNC is more likely to be motivated by tasks related to the overall strategy of that corporation. Hence, the identifications influenced by differentiation are likely to have a bearing on employees' qualitative motivation. Despite these theoretical motivations, however, little empirical research seems to have investigated the exact types of work that different identifications tend to motivate (Hekman et al., 2016). In article 2, employees' motivation following differentiation is examined qualitatively.

Further, as stated previously, an identification view puts focus on outcomes related to intergroup behavior in the workplace. If differentiation indeed induces different identifications for e.g. highly rated and low-rated employees, this is likely to influence how different groups relate to each other. As Tajfel (1981) states, status differences between groups can – but do not always – lead to intergroup stereotyping. That is; when people perceive an outgroup, they are generally prone to seeing its members as representatives of a rather narrow stereotype. Primarily, risk of stereotyping is high when members identify strongly with their own group and when there is competition with the outgroup (Tajfel & Turner, 1979). This could certainly be the case following differentiation. For example, it is conceivable that employees not designated as talents may view designated talents as a homogeneous group of privileged or preferentially treated employees. Designated talents on their part might form stereotypes about non-selected employees being less ambitious or skilled. In order to shed further light on this issue, article 2 explores intergroup stereotyping following employee differentiation.

In sum, differentiation is likely to be related to multiple identifications, which in turn potentially translates into important behavioral and motivational outcomes. It is important to note, however, that these dynamics are also likely to be subject to important contingencies. As we shall see, identification – albeit with a different target – is likely to play a role here as well.

3.4.2 Professional identification modifying the impact of differentiation practices

In the framework, it is also suggested that differentiation outcomes, i.e., the ratings one receives, are perceived through the filter of professional identification. As stated previously, research on differentiation's effects on employees has demonstrated mixed and contradictory findings. This implies that there are likely important contingencies for employees' perceptions of and reactions to differentiation outcomes (de Boeck et al., 2017). As presented in the above literature review, quantitative research has established e.g. LMX and supervisory support (Pichler, 2012; Pichler et al., 2015) and procedural justice (Gelens et al., 2014) as important moderators of employee reactions to differentiation practices. Adopting a multiple-identifications perspective, however, opens up for new potential contingencies.

As noted above, research has shown that different identification targets often moderate each other's influence (Chen et al., 2013; Hekman, Steensma, et al., 2009; van Dick et al., 2008). Further, it is plausible that differentiation practices do not directly influence all identification targets. Notably, targets that are external to the organization – such as the profession, union, or clients – are likely to be more resistant to this impact. It has been argued that such identifications are becoming increasingly relevant in today's complex world of work (Schweisfurth & Raasch, 2014). Differentiation practices do not normally yield new information about the individual's standing within such groupings. Being given a high performance rating does not make an employee more or less of a professional, for instance. Indeed, previous research has shown that changes in professionals' self-images are largely determined by extra-organizational events and actors (Chreim, Williams, & Hinings, 2007; Kyratsis, Atun, Phillips, Tracey, & George, 2017). For these reasons, it can be expected that identification with targets outside the employing organization will not be directly influenced by differentiation, but rather modify its impact.

From this perspective, professional identification is particularly interesting. As stated previously, this target tends to occupy an exceptional position among identifications. It is often the carrier of a value system of its own, largely independent of the managerial logic that often permeates organizations (Ackroyd, 1996; Barbour & Lammers, 2015; Kyratsis et al., 2017). The professional role is not necessarily contingent on the individual's standing with a particular employer (cf. Chreim et al., 2007). Drawing on this reasoning, it is unlikely that differentiation practices should directly influence professional identification. Rather, it is conceivable that professional identification will influence how the differentiation practice is perceived. However, it is not completely clear in which direction the influence might work. It may be that differentiation practices perceived to rhyme well with professional values may be viewed favorably by the professional, hence contributing to increases in intra-organizational identifications (cf. Hekman et al., 2016). On the other hand, research evidences numerous cases of organizational and professional values being incompatible (Ackroyd, 1996; Doolin, 2002; Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011). In addition, the professional self-image tends to involve values such as independence and integrity in relation to specific employers (Barbour & Lammers, 2015). Based on this reasoning, investigating the role of professional identification as a modifying factor for employees' perceptions of and reactions to differentiation can help shed light on the complex interrelationships between different identification targets (Ashforth et al., 2008; Miscenko & Day, 2016; van Knippenberg & Hogg, 2018).

Investigating the role of professional identification can also contribute to identifying important boundary conditions for existing conceptualizations of differentiation. It is possible, for instance, that pre-existing identifications shape employees' social exchange perceptions, i.e., their understanding of what differentiation means to the exchange relationship and –balance that they have with the organization (cf. Cropanzano & Mitchell, 2005; Rousseau, 1995). It is well known from previous literature that employees with a strong professional self-image tend to be skeptical of many managerial and bureaucratic practices (Ackroyd, 1996; Barbour &

Lammers, 2015). Practices such as TM and PA tend to be based on a managerial logic, influenced as they are by the strategic HRM perspective (Thunnissen & Buttiens, 2017). Hence, the assumptions about social exchange that underlie these practices may not apply as readily to groups of employees that attach a large part of their self-image to their profession. For instance, it is not self-evident that someone who identifies as a professional expert perceives a talent designation or a high performance rating as a signal of appreciation that should be reciprocated with increased effort. Instead, they may e.g. perceive it as an influencing attempt compromising their integrity. It could also be that the inducements entailed in e.g. a talent program, such as trainings and fast-track careers, are not perceived as highly valuable by someone who values expertise more than vertical career mobility.

Article 1 and 2 both examine the role of professional identification in shaping employees' reactions to differentiation qualitatively. Article 4 furthermore tests professional identification as a moderator of the social exchange dynamic proposed to follow from differentiation outcomes.

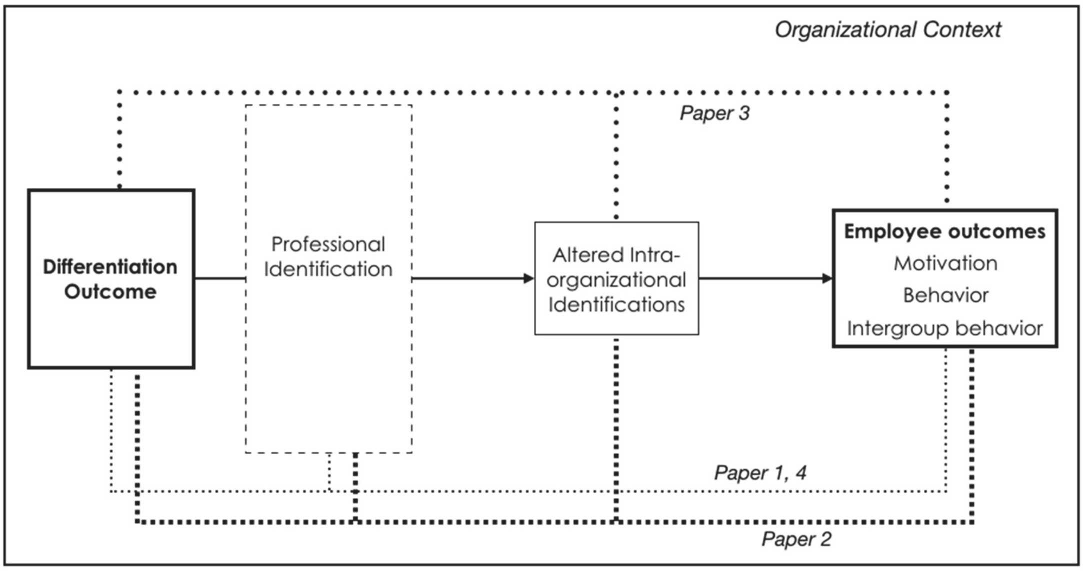
3.4.3 The role of organizational context

Finally, the framework in Figure 1 also depicts the identification dynamics following differentiation as taking place within an organizational context. Doubtlessly, the context will influence the entire process mapped out in the framework. Beginning with employee differentiation itself, this phenomenon will likely be perceived differently depending on the setting. As Thunnissen and Buttiens (2017) point out, exclusive differentiation practices may be perceived differently depending on e.g. whether the organization is characterized by strong professional values, or by norms of equality. Further, the identifications brought to the fore by differentiation might depend on the context. As Johnson et al. (2006) show, identifications may be more or less central to us depending on e.g. the type of organization in which we work, the degree to which we work together with others of the same profession, and the position we inhabit. By the same token, the outcome of differentiation could trigger different identifications depending on e.g. which targets that are most likely to preserve and enhance our self-image (cf. Turner, 1999).

Although this thesis does not primarily aim at studying the role of organizational context, it will nonetheless be an important factor to consider in particularly the qualitative studies included.

Figure 2 summarizes the relationships between the thesis's framework and the four articles included.

Figure 2. Relationship between theoretical framework and the studies included in the thesis.



Chapter 4

Research methodology

4.1 Research approach

As outlined above, this thesis aims to add to our knowledge of the influence that differentiation has on employees through the application of an identification lens. More precisely, the thesis aims to examine how differentiation outcomes influence employees' identifications, how this translates into behavioral and motivational outcomes, and how the influence of differentiation is shaped by pre-existing identifications.

As the literature review showed, identification-related effects of differentiation practices have not been extensively explored in past research. This speaks to the utility of using research methods that allow for the collection of broad and rich data (Graebner, Martin, & Roundy, 2012). While a deductive, quantitative approach can provide answers to a priori-formulated hypotheses, a broader approach allows for the detection of unexpected findings. However, considering that this research draws on existing theory, a purely inductive approach – which ideally starts from data without theory – was not suitable (cf. Alvesson & Sköldberg, 2008). Instead, an abductive approach was employed for the qualitative articles 1 and 2. The abductive approach entails a process where the researcher moves repeatedly between the empirical findings and extant theory (Mantere & Ketokivi, 2013; Van Maanen, Sørensen, & Mitchell, 2007). The aim is to reach what has been called the best available explanation for the findings when existing theory has been taken into account (Wodak, 2004). Hence, the first part of this research – articles 1 and 2 – adopts an abductive, qualitative approach based on interviews. The rich qualitative data obtained from interviews is used for theory development, and for detecting potentially important unpredicted effects.

The findings from the interview studies were used to generate more precise hypotheses, as the research moved into a more deductive, variance-oriented phase (Van de Ven, 2007). This motivated the use of quantitative methods that could test theory-driven hypotheses on a larger group of participants. Hence, the second part of this research – articles 3 and 4, specifically – consists of quantitative, hypothesis-testing studies based on survey data. Importantly in our case, this allows for closer investigation of hypotheses related to mediation and moderation. While mediation refers to mechanism variables that can explain why and how variables are related to each other, moderation answers questions about when this influence appears – its contingencies and boundary conditions. Since both these concepts are central to the aim of this thesis, quantitative survey data are called for.

The qualitative interview approach suited the goal of articles 1 and 2, which was to gain a deep understanding of the phenomenon under study and generate theoretical development (Edmondson & Mcmanus, 2007). Notwithstanding, qualitative data analyzed with an abductive approach do not allow for statistical testing, preventing the researcher from establishing whether the conclusions apply on a broader scale (Bryman & Bell, 2015). Therefore, the hypothesis-testing quantitative survey method was applied in the second phase of the research, where the goal was precisely to test specific hypotheses generated from the qualitative study preceding it. The drawbacks of a hypothesis-testing deductive approach, such as neither allowing for alternative explanations (Ketokivi & Mantere, 2010) nor the detection of unexpected findings outside the realm of the hypotheses, could then be accepted, since the scope of the research had been narrowed. Hence, the research methods applied both matched the aim of the respective phases in which they were employed.

4.2 Empirical setting

The empirical setting for this research was the public school organization of a large Swedish municipality. This organization had recently implemented several new PA and TM practices focusing on the close to 1,500 teachers employed in the organization's primary and secondary schools. The background to particularly the PA practice was a broader strategic change, where the organization aimed to become more "business-oriented and strategic" in its HRM, as described by one of the HR officials interviewed. Through employee differentiation, the organization wanted to increase recognition and incentivizing of those teachers perceived to do a really good job. The notion that certain employees were exceptionally high-performing and high-potential, and demanded special attention in order for them to develop and stay, had gained increasing foothold. The TM practices particularly aimed at increasing the motivation and loyalty of these high-potential employees.

The new practices included a comprehensive performance assessment matrix which formed the basis for an annual PA, where all teachers were to be rated on a quantitative scale according to established criteria. This process had also been combined with an annual talent review, where those teachers that were deemed to have the highest future potential were identified. Both the PA and the talent review were conducted by the principals, i.e., the teachers' closest managers, with occasional aid from HR. It was also the principals who informed employees about their ratings at an annual appraisal talk.

Teachers that were considered high-potential were those that were perceived as likely to be able to take on more complex assignments in the future, such as engaging in long-term strategic planning of the school's teaching, being a part of municipality-wide development initiatives, and driving pedagogical development. The organization had implemented special development initiatives available for those teachers that got the highest ratings of performance and potential. Most notably, a small subset of highly rated teachers was also offered explicit talent status, by being appointed to a specific talent position. The guidelines from the organization said that this position should primarily be allotted to teachers that had received the rating

4 in the talent review, but 3 could also be accepted if the principal had a specific motivation for it (for instance, that the teacher lacked a specific type of teaching experience, but was not being handed such a challenge). This position did not imply many formalized new tasks and responsibilities – rather, the role of each teacher being awarded this position was decided in collaboration with the closest supervisor. It did however entail significant attention from management, more possibilities for career development, and more training opportunities. It was the principal in collaboration with the management function that selected the teachers for talent status. All teachers were informed about the designations.

In total, explicit talent status was allotted to around 15 percent of the employees. This makes the TM practice slightly more inclusive than reported examples from the private sector, where about 10 percent is generally given talent status (Gallardo-Gallardo et al., 2013a; Nijs et al., 2014).

This case organization was selected for several reasons. First, since the PA and TM practices had been introduced recently, their effects might be more distinctly observable. Second, since schools are dominated by a strong professional group – teachers – it was deemed a suitable environment for studying the role of professional identification when differentiation was introduced. Third, the organizational values and norms characterizing the school organization were seen to provide a fruitful context for studying interrelations between different identifications: The introduction of rather explicit differentiation practices was made in an environment that has traditionally been characterized by egalitarian and collectivist values, deriving both from its place within the public education sector and its Swedish origin. This should arguably lead to alterations in the social landscape of available identification targets, opening up for a larger variation between teachers in terms of self-images.

Fourth and finally, school organizations offer a relatively unified setting in the sense that all schools have a fairly similar structure, and all teachers hold the same formal position and similar tasks. This differs significantly from many industrial settings, where employees included in differentiation practices often have very diverse roles and tasks, and also might work in very different settings depending on the unit that they are in. For a study focusing on differences created through differentiation practices, hence, studying a school organization reduced some other sources of variability.

4.3 Procedures

4.3.1 Interview study

To investigate how these new practices were implemented and what effects they had on employees, I together with my research colleagues conducted an interview study comprising interviews with three municipal HR officials, 21 school principals, and 25 teachers. The research started with two interviews at the municipal head office, where HR officials who had managed the introduction of the new PA and TM practices were asked about e.g. the background and purpose of the practices, their view on how differentiation should be carried out, initial reactions from principals and teachers, and intended outcomes. We also studied the key documents involved in the new practices, such as the performance matrix, the decision support for principals, and the criteria for talent review ratings and talent status. Based on the interviews with HR, it was decided that the next step should be to interview a number of principals. Since they were responsible for carrying out the new practices, and were also the managers closest to the employees, the principals would be able to provide us with valuable perspectives on how differentiation outcomes were received by employees, and what the decision process leading up to differentiation looked like. 21 interviews were thus carried out at the principals' respective schools, except in one case where the interview was instead held at the municipal head office. This also provided ample opportunity to observe the different school settings. Principals were asked about their view on the background to the differentiation practices, the criteria to be used for PA and TM and how they perceived those, the actual process of carrying out the new practices, and perceived effects on employees and the school as a whole. These interviews indicated that there were indeed important differences in employee reactions to PA and TM.

The next and final step of the interview study was to interview 25 teachers, drawn from five different schools. The schools were selected in collaboration with HR, and the particular teachers were selected in collaboration with the principals. We specifically asked for teachers that had received different PA ratings and TM outcomes, in order to capture differences and similarities between groups. Teacher interviews were then carried out at the respective schools. The aim of this part of the interview study was to gain rich insights into how teachers' self-images were affected by the differentiation practices and what consequences this may have for employees' attitudes and behaviors. Further, the study aimed to provide a deeper understanding of the role of pre-existing identifications in shaping employees' reactions. The interviews included question blocks around both the PA and the TM practices. Interviews were semi-structured, i.e., they were conducted based on a predetermined set of questions from which various follow-up questions were asked based on the respondent's answers. Although we wanted to study the two practices in concert, we also had somewhat different empirical interests for PA and TM respectively. In specific, in the case of PA, we focused on its function as a tool for strategic change, and how employees' individual rating and pre-existing identifications influenced reactions to this change. For TM, we were primarily interested in how this practice influenced employees' multiple identifications. We also focused on identifications that were not influenced but rather shaped the reactions to TM.

The material was then analyzed using primarily content analysis (N. King, 2004) in both cases. The specific identifications around which articles 1 and 2 revolve emerged empirically when the interview material was analyzed. In line with the abductive approach, when we observed signs of a certain identification target, we went back to the literature to see how this identification had been conceived of in the past. We then went back to the material and applied knowledge from previous literature. A particular challenge when studying identification is the fact that these dynamics, unlike those of e.g. social exchange and organizational justice, tend to be less explicitly articulated with the individual (van Knippenberg & Hogg, 2018). This increases the risk of bias on the interviewer's side, and interpretations of respondents' statements must be made carefully. In order to safeguard against this, we took guidance from the literature on how to observe identification. Not least, we used survey scale items for identification, such as those by Mael and Ashforth (1992), to guide us on how signs of identification would sound in interview settings.

The interview participants and procedure are described in detail in articles 1 and 2.

4.3.2 Survey study

The interview study yielded rich and detailed insights into how dynamics related to employees' identifications shaped the impact of differentiation on their behaviors. This material, in combination with insights from social identity literature, also provided a fruitful basis for formulating ideas for hypothesis-testing studies. The next step was hence to conduct a large-scale survey directed at all teachers employed in the school organization. A survey was constructed consulting both social identity and employee differentiation literature, aimed at answering specific hypotheses regarding both the mediating and moderating role of different identification targets. The survey study was decided on in collaboration with the municipality's HR function as well as the management team of the school organization. They also provided us with email addresses to all teachers to be included in the study. We decided to exclude teachers working less than 50 percent, teachers hired within the last six months, and teachers who had been on an extended leave during the past year. All principals also received information about the survey. Objective archival data were used for employees' outcomes in differentiation, collected with the help of the HR function.

The survey was preceded by an introductory text, explaining the background and purpose of the study. The text also informed teachers of how long the survey would take, how we would handle their data, and that participation was completely voluntary. Demographic questions, including age, gender, organizational tenure, etc. were also included. The majority of the constructs of interest were assessed with multi-item scales validated in previous research, in order to secure construct validity (Fields, 2002). These had been translated into Swedish using Brislin's (1986) back-translation procedure. Responses were given on a seven-point likert scale.

Before being sent out to the teachers, the survey was pre-tested on a sample of 50 teachers from other parts of Sweden, collected through the personal network of the author. A few minor adjustments were made following this test. The survey was then sent out to 1,256 employees, via an online survey tool which distributed the survey to teachers' email addresses.

The survey yielded 635 responses, indicating a response rate of 50.56 percent. As evident in articles 3 and 4, a number of these respondents had to be excluded from analyses due to missing data (Hair, Black, Babin, Anderson, & Tatham, 2005). Low response rate represents a potential bias to survey studies. However, response rates around 50 percent are commonly mentioned as the standard benchmark in organizational survey research (Baruch & Holtom, 2008). It should also be mentioned that the final sample's demographic characteristics did not differ from the organization's overall average for teachers.

Data were analyzed with quantitative methods using software such as SPSS v. 25 and AMOS v. 22.0. The detailed procedure and measurements are described in articles 3 and 4.

It should be noted that self-report surveys have certain important shortcomings. Importantly, self-report survey data can be affected by social desirability – i.e., the tendency of respondents to report answers that they deem to be in line with social norms and values (Krumpal, 2013). Further, when self-report data are used for several different variables in a study, there is risk of common method bias (Conway & Lance, 2010). In short, this refers to the case where relationships between different variables in a study are inflated due to the data for all variables being provided by the same source. There are, however, measures that can be taken to prevent this bias when constructing surveys (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). There are also tests that can be used post hoc to determine whether survey data have been affected by common method bias (Harman, 1976; Podsakoff et al., 2003). In article 3, employing structural equation modeling, the method recommended by Podsakoff et al. (2003) of adding an additional latent factor to the model was used for this purpose. In the analyses for both article 3 and 4, confirmatory factor analysis was conducted to ensure convergent and discriminant validity of the constructs.

Finally, cross-sectional surveys do not enable firm conclusions about the causal order of different factors (Spencer, Zanna, & Fong, 2005). Preferably, different variables in a proposed model should be measured at different points in time. However, this is not always practically feasible, and may instead make the material suffer from low response rates. For these reasons, cross-sectional surveys are a common method in HRM and management research (Bryman & Bell, 2015). Furthermore, when such survey data are combined with objective archival data – as in this study – the method is significantly strengthened.

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