DOI: 10.1111/1748-8583.12485

RESEARCH ARTICLE



Talent designation as a mixed blessing: Short- and long-term employee reactions to talent status

Revised: 18 November 2022

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Abstract

Talent management (TM) continues to attract considerable attention from both practitioners and academics. Existing research investigating employee reactions to being awarded talent status has not elucidated the processual nature of such reactions. This study extends TM research by providing a nuanced understanding of how employees react to talent designation over time and why. Specifically, it distinguishes between short- and long-term reactions and uses the lenses of psychological contract (PC) theory and social identity theory (SIT) to unpack mechanisms underlying immediate positive, and delayed negative, employee reactions to talent designation. Results from qualitative analysis of interviews with talents in three organizations show how—as time elapsed and no identity-relevant events occurred-perceptions of "talent emptiness" and "indeterminacy" developed. The study unfolds the complex interaction between SIT and PC (including breach and violation) to explain talents' evolving reactions over time. As such, it contributes to TM literature by providing a nuanced understanding of the processes underlying employee reactions in exchanges involving socioemotional resources.

KEYWORDS

employee reactions, negative reactions, positive reactions, talent designation, talent management, talent status

Abbreviations: HR, human resource; HRM, human resource management; OCB, organisational citizenship behavior; PC, psychological contract; SET, social exchange theory; SIT, social identity theory; TM, talent management.

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Practitioner notes

What is currently known?

- Talent management (TM) continues to attract considerable attention.
- Employees react mostly positively to being awarded talent status.
- Talent reactions have been largely investigated as static and unchanging.

What this paper adds?

- Employee reactions to talent status are processual.
- Talents' reactions are complex—they can be positive and negative.
- Talent status is associated with positive immediate (short-term) reactions.
- If not managed, talent status can prompt negative delayed (long-term) reactions.

The implications for practitioners

- Formally identified talents see themselves as members of an exclusive social group.
- For employees, talent designation entails future benefits from the employer.
- Over time, talents will react negatively if these benefits are not realized within a perceived timeframe.
- Managing talents is a process—not a one-time event or activity.

1 | INTRODUCTION

Talent management (TM) continues to attract considerable attention both from academics and practitioners (Collings et al., 2022; Dries & De Gieter, 2014; Ehrnrooth et al., 2018; Gallardo-Gallardo et al., 2020; Meyers, 2020). Understanding reactions to being awarded talent status at the individual employee level has been highlighted as key to realizing talents' potential as resources that help organizations sustain a competitive advantage (Collings & Mellahi, 2009). Several studies maintain that talent designation—that is, an organization's assignment of talent status to an employee—is associated with favorable employee reactions including stronger identification with management and the organization, discretionary behavior at work, lower turnover, and greater commitment and motivation (Asplund, 2020; Björkman et al., 2013; Khoreva et al., 2017; Wikhamn et al., 2020).

Despite several advancements in TM literature, unaddressed issues remain. For instance, little is known about how employees react when identified as talent (Ehrnrooth et al., 2018; Swailes & Blackburn, 2016). While positive reactions dominate current research, recent studies suggest that employee reactions to talent status are more intricate than previously thought (Asplund, 2020; Meyers, 2020; Sumelius et al., 2020; Wikhamn et al., 2020) and can include negative reactions such as identity struggle, increased stress, and intensified workload (De Boeck et al., 2018; O'Connor & Crowley-Henry, 2019; Sumelius et al., 2020). Also, critiques assert that existing TM literature focuses on immediate or short-term reactions (Meyers et al., 2017) and treats these reactions as static, despite recent arguments suggesting that they can be processual and prone to change over time (King, 2016; Sumelius et al., 2020). Hence, while much of the academic and practitioner literature has tended to assume that employees react positively to talent designation (De Boeck et al., 2018), there is insufficient empirical evidence to support that this assumption holds true over time. As King (2016) suggests, managing talents in organizations is a process that involves consequent career events that shape employee reactions. Also, gaining insight into employee reactions to these events demands investigating the phenomena from employees' perspective. Thus far, however, TM research has paid scarce attention to the perspective of employees (Gelens et al., 2014; McDonnell et al., 2017; Sumelius et al., 2020), especially to individual reactions articulated by employees themselves.

To explain the psychological dynamics of employee reactions to talent designation, TM literature has relied heavily on social exchange theory (SET) (Blau, 1964) and the norm of reciprocity (Gouldner, 1960). Scholars have proposed

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that employees identified as "talent" are provided with benefits by their organization and, in return, adopt more favorable work attitudes and behaviours (e.g., better performance, loyalty, commitment, OCB). Recently, however, this theoretical framework has been suggested to be inadequate in explaining employee reactions to talent designation. In response, some scholars (e.g., De Boeck et al., 2018; Wikhamn et al., 2020) have adopted a differentiated view of resources and call for a more nuanced understanding of the exchange dynamics between talents and their organizations.

Additionally, recent TM literature has revealed that talent designation bears considerable risks, with consequences on how talents perceive their psychological contract (PC) (Rousseau, 1989, 1995) and how it unfolds over time (Dries & De Gieter, 2014; Dries et al., 2014; King, 2016). According to a review by Meyers et al. (2017), employees identified as talents develop heightened expectations about future benefits from the organization. These perceived future obligations, albeit subjective, become part of talents' framework for judging the organization's role in fulfilling, or breaching, the PC over time (King, 2016). Presently, we know little about how these modified expectations affect employees' reactions to talent status, despite some findings pointing to an increased risk of PC breach (Dries & De Gieter, 2014; Swailes & Blackburn, 2016). Thus, understanding the experience of this breach and potential subsequent experience of violation (Morrison & Robinson, 1997)—the latter remains largely underexplored in TM research—has become of particular interest.

The aim of this paper is to advance our knowledge of this topic, with a focus on understanding the psychological dynamics of talent designation from the employee perspective. Therefore, we carried out a qualitative study investigating the following research questions:

- 1. How do employees react to being identified as talent in the short-term?
- 2. How do these reactions evolve over time, and why?

The study makes two key contributions to TM literature. First, it uncovers the psychological processes underlying individual reactions to talent designation and second, it reveals how these processes evolve over time. Particularly, it employs the theoretical frameworks of PC theory (Rousseau, 1989, 1995)—conceptualized based on SET (Blau, 1964) and the norm of reciprocity (Gouldner, 1960)—and social identity theory (SIT) (Tajfel, 1978) to provide a theoretically-nuanced explanation of employee reactions to talent designation, the valence of these reactions, and how they change over time. This study therefore responds to previous research calling for a processual investigation of talent reactions (King, 2016; Sumelius et al., 2020) and addresses theoretical challenges associated with the absence of social identity notion in explaining the dynamics underlying these reactions.

2 | PREVIOUS RESEARCH AND THEORETICAL FRAMING

2.1 | Talent management and the importance of employee reactions

TM is understood to be the activities and processes that identify and develop a pool of high-potential employees and implements an HR architecture to facilitate their career growth and retention (Collings & Mellahi, 2009). This definition resonates with the exclusive form of TM where only a small percentage of the workforce is selected as talent, and is largely based on ideological roots from the resource-based perspective, where talents are viewed as a strategic resource that contributes to the organization's competitive advantage (Collings & Mellahi, 2009).

Employee perceptions have come to hold a key role in determining the strength of an HRM system (Bowen & Ostroff, 2004)—indicating that the effectiveness of TM practices and exclusive TM approaches are dependent on talents' experiences (King, 2016; Sumelius et al., 2020; Swailes & Blackburn, 2016). In other words, it is likely that employees' perceptions of and reactions to TM shape the attitudes affecting an organization's performance (Nishii et al., 2008). Thus, studying employee experiences of TM, and the progression of employees' reactions to being

identified as talent, is key for understanding how TM unfolds in practice (De Boeck et al., 2018; Dries et al., 2014; Gelens et al., 2014; Thunnissen, 2016).

Existing research on employee reactions to talent designation is inconclusive. Studies have shown that being identified as talent is associated with positive employee reactions including lower turnover intention, more commitment to self-development, higher motivation, stronger organizational commitment, and more discretionary efforts at work (e.g., Asplund, 2020; Björkman et al., 2013; Gelens et al., 2014; Khoreva et al., 2017; McDonnell et al., 2017: O'Connor & Crowley-Henry, 2019). However, an emerging stream of TM research (e.g., De Boeck et al., 2018; Ehrnrooth et al., 2018; Meyers, 2020; Sumelius et al., 2020; Wikhamn et al., 2020) points to far more complex and multifaceted employee reactions to talent status than have been assumed. For instance, the assumption that employees react positively when identified as talent has dominated TM studies (quantitative in particular). Potential negative employee reactions, such as increased stress and identity struggles (see De Boeck et al., 2018), have been mostly absent. Furthermore, TM literature has emphasized immediate or short-term employee reactions—which are often positive—and failed to distinguish between short- and long-term reactions (Meyers et al., 2017). In fact, reactions are often studied as stationary and thus the notion of "talent journey"—talent's experience of the relationship over time (King, 2016)—has been overlooked.

Next, we briefly introduce PC theory and discuss how it is used to account for employee reactions to talent designation. This is followed by a presentation of SIT and its role in advancing our understanding of these reactions.

2.2 | Employee reactions to talent designation and psychological contract theory

According to the review by De Boeck et al. (2018), TM research examining reactions to talent designation relies mostly on SET's framework (Blau, 1964), including PC theory (PC) (Rousseau, 1995). SET describes "social exchange" as a series of interactions that generate obligations that are usually regarded as interdependent and contingent on the actions of another party. In TM research, it has been assumed that employees who are awarded talent status engage in an exchange relationship based on the principle of reciprocity (Gouldner, 1960) such as increased work effort and loyalty (Dries et al., 2014). Exchanges in TM research have been discussed in the context of the PC, which refers to "individual beliefs, shaped by the organization, regarding the terms of an exchange agreement between individuals and their organization" (Rousseau, 1995, p. 9). The PC is based on perceived promises, where a promise is defined as any communication of future intent (Rousseau, 1989), suggesting it encompasses not only formalized obligations but also perceived commitments resulting from implicit means. TM research that has applied PC's theoretical lens has proposed that talent designation is expected to influence employees' PCs, such that the talent label is associated with perceived promises, even when only implied by managerial rhetoric or HR processes (King, 2016). This is because "talent" designation represents a critical exchange that can permanently alter the exchange rules, resulting in a transformed employee-employer relationship that informs the evaluation of subsequent exchanges. King (2016) introduced the term "talent deal"-"the modified PC and exchange expectations of talented employees resulting from perceived talent status" (p. 95). The modified PC impacts the employee in terms of individual expectations, attitudes towards the organization, and the employee-employer relationship over time (Dries & De Gieter, 2014; King, 2016). In their literature review on the effects of talent designation on PC, Meyers et al. (2017) highlighted how talent designation does not only intensify talents' perceptions of "talent obligations" towards their employers, including improving their performance and continuously developing their competence, but also heightens talents' expectations of their employers (e.g., providing opportunities for development, offering customized career support, and regular promotions).

Central to PC theory are the concepts of fulfillment, breach, and violation (Morrison & Robinson, 1997; Robinson & Morrison, 2000). Fulfillment describes the extent to which one party considers that the other has fulfilled their obligations. Breach is the cognitive awareness of an unfulfilled promise; it reflects a discrepancy between what was perceived as promised and what has been delivered. Violation refers to the emotional response—e.g., feelings

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of betrayal, anger, bitterness, shock, disappointment—that may follow such an insight. According to Morrison and Robinson (1997), whether a breach turns into a violation depends on how employees who experience the breach make sense of the event. Research has reported that violation explains the relationship between breach and negative work outcomes (see Coyle-Shapiro et al., 2019 for a review). Limited TM research has empirically addressed PC fulfillment (Sonnenberg et al., 2014) and breach (Dries & De Gieter, 2014; Dries et al., 2014). These studies have maintained that talents and their organizations exchange resources. Despite their significance, these studies have treated the resources exchanged between talents and their organizations alike, notwithstanding the fact that certain types of resources are likely to be exchanged in different ways (Foa & Foa, 1980). Addressing this issue, recent TM research (De Boeck et al., 2018; Wikhamn et al., 2020) has called for a more refined view of resources and introduced SIT as a theoretical lens to explain employee reactions to talent status.

2.3 | Employee reactions to talent designation and social identity theory

According to Foa and Foa (1980), socioemotional resources—such as status—are those that refer to one's standing in, and identification with, a group. They address one's social and esteem needs, and are often symbolic (i.e., not a tangible commodity) and particularistic (i.e., their value or worth depends on their source or who granted them). More importantly, socioemotional resources send a message that the person holding them is valued in the social context (Cropanzano & Mitchell, 2005). Such resources are exchanged in a more open-ended manner and not in a short-term, quid pro quo approach. To explain exchanges involving socioemotional resources, it is thus argued that SIT (Tajfel, 1978) provides a complementary theoretical framework to SET (Restubog et al., 2008). Social identity is "that part of an individual's self-concept which derives from his knowledge of his membership of a social group (or groups) together with the value and emotional significance attached to that membership" (Tajfel, 1978, p. 63). Socioemotional resources communicate identity-relevant information about the holder (Restubog et al., 2008). Designating "talent" status to an employee thus signals social membership and value in the talent group (and the organization).

The scant existing TM research using PC approach often views the phenomena merely from a SET perspective. SET's framework would be sufficient, however, only if the PC in question is purely transactional (i.e., involves a short-term exchange characterized by "give" and "take" of mostly non-socioemotional resources) and thus the breach would be merely transactional in nature. As Rousseau (1995) contends, PC has transactional and relational forms, and both are relative and not mutually exclusive (Coyle-Shapiro et al., 2019). A relational breach involves breach of a socioemotional nature since a relational contract is informed by the exchange of socioemotional resources, such as symbolic resources that designate membership in a social group. Classifying "status" as a symbolic resource, it is thus expected that employees who are awarded talent status form a modified relational PC with their organizations (see also Dries et al., 2014; King, 2016). In relational contracts the parties engage in a long-term exchange of socioemotional resources (e.g., status, loyalty) that are pertinent for group belonging and identity.

Research shows that relational breaches have a stronger adverse impacts on employee trust in, and identification with, the focal group. For instance, Restubog et al. (2008) report evidence showing how relational breaches erode trust and weaken employee identification with the organization. Evidence also suggests that perceived breaches undermine organizational identification (Epitropaki, 2003) and foster disidentification (Kreiner & Ashforth, 2004). Applying dissonance theory, Epitropaki (2013) maintains that when dissonant cognitions are associated with group membership, the members will engage in social identity-based dissonance reduction strategies, such as reducing their levels of identification with the group. She argues that employees who experience a breach will no longer perceive their social membership as rewarding; that is, their membership in the group will lose meaning and value. As a result, these employees' sense of belonging will seriously erode, and the individual will begin to distance their own identity from that of the social group.

This discussion provides insights for TM, specifically to the notion of "talent journey" (King, 2016) where talent designation is the first event in a series of subsequent expected events. Whereas this first event undoubtedly

intensifies employee identification with the talent group and the organization, events that follow influence talents' view of this group and the organization over time (King, 2016) and subsequently either strengthen or weaken a certain identity orientation (Flynn, 2005; Restubog et al., 2008). Presently, however, we know little about talents' experience of relational PC breaches (and violations). Furthermore, what we do know does not explain the dynamics that may trigger a change in one's own identity orientation and/or the exchange mode in a relationship (Flynn, 2005).

3 | METHOD

3.1 | Research approach and setting

This study was carried out in three large organizations in Sweden that fulfilled the criteria of (1) having an exclusive TM approach, (2) implementing open and formal disclosure of identified talents, and (3) allowing researchers access to the site and contact with the employees. These selection criteria acknowledge scholarly descriptions of TM, talents, and their reactions, as sensitive topics (e.g., Ehrnrooth et al., 2018; Gelens et al., 2014; Sumelius et al., 2020).

Medico is a multinational corporation headquartered in Sweden, specializing in medical equipment and systems. It is present in more than 40 countries, employs more than 10,000 people and had net sales of approximately SEK 27 billion in 2019. With a history of external recruitment for key positions, TM was included on the HR agenda in an attempt to identify talented employees. Securico is also a multinational corporation headquartered in Sweden. It specializes in developing security products and solutions, and has a global footprint with a market presence in more than 30 countries. Securico employs over 4500 people and had net sales of approximately SEK 5.45 billion in 2019. TM is an important aspect of HR function aiming at identifying, managing, and monitoring the organization's talents to ensure continuous development and utilization within the organization. PubHos is a major public university hospital in Sweden, consisting of six divisions with different areas of activity. It provides approximately 1.7 million residents with highly specialized healthcare, employs approximately 16,700 people, and has 200 hospital beds. TM became a top priority for HR when the hospital introduced and implemented a new technologically intensive medical practice to support the organization's overall strategy.

3.2 | Data collection

Twenty-four interviews were conducted across the three organizations (six talents and two HR managers in each organization). While the focus was on employees who were identified as talents, HR managers were also interviewed to obtain information about organization's TM approach and its intentions.

On average, an interview lasted 75 min. All interviews were conducted in-person, then digitally recorded, and transcribed verbatim. A semi-structured and open-ended interview protocol (Silverman, 2011) was employed to allow the interviewees flexibility around what they considered especially important. As such, the interviews did not begin with theoretical preconceptions about TM and employee reactions; instead, there was a focus on how people interpret their work and the concerns they believe are important. The primary areas of focus were understanding talent status, employee reactions to being identified as talent, and the experienced implications of such identification. While talents were mainly asked to share their experiences and reactions of being identified, HR managers were asked to provide information about how their organizations manage talents (e.g., criteria for talent identification and practices for talent development). In addition to interviews, we collected various organizational documents related to TM, for example, performance and potential guidelines, talent identification criteria, talent status communication periods, and talent development activities.

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3.3 | Data analysis

Strauss and Corbin's (1998) guidelines were used to analyze the data. We started with open coding to uncover different employee reactions without referring to any predetermined categorization. Interview transcripts were read carefully and coded line by line. Although all interviews were coded systematically, employee interviews were both the focus and the dominant data source in the analysis and subsequent findings. Interviews with HR managers provided contextual background for TM practices.

Using open-coding logic, we relied heavily on *in-vivo* codes derived directly from the interviews to categorize employee reactions (Locke, 2011). This generated approximately 20 first-order concepts. When comparing these concepts for similarities and differences, it was evident that there were both positive and negative reactions. When examining both positive and negative reactions and relating them to specific events the interviewees experienced, we found that positive reactions could be traced to the initial period after being identified as talent (immediately following talent designation event to approximately half a year later) and the negative reactions could be tracked to a later period (approximately 7–12 months after talent designation). Understanding that time was important, we cross-checked talents' statements with information from organizational documents and data provided by HR managers and divided the data into two temporal brackets: short-term (immediate) and long-term (delayed). We then coded all excerpts within these temporal brackets.

Data guided the theoretical framing. The process was not linear, however. We moved back and forth between the data and potential theoretical literature. Engaging in this recursive process of analysis enabled us to grasp emerging theoretical relationships and decide which theories could help to explain these relationships. While engaging in axial coding (Strauss & Corbin, 1998), we clustered the first-order reactions together based on their valence and what they reflect. Moving between the data and TM literature (specifically, the review by De Boeck et al., 2018), we noticed that our data reflected positive and negative emotions and positive and negative cognitions. At this stage, we recognized articulated immediate emotions (e.g., "being pointed out" and "appreciated") and cognitions (expectations, e.g., "being requested and wanted" and "providing opportunities"). These patterns reflect self-worth-associated cues derived from social membership and perceived promises linked to this membership. The relevance of both PC theory (Rousseau, 1989, 1995), which has its roots in SET and the norm of reciprocity, and SIT (Tajfel, 1978) soon became evident. The delayed negative cognitions of unmet expectations, unrealized implications, and feelings of disappointment and frustration, and their growth over time, confirmed the relevance of the theories we selected. Particularly, narratives of emerging negative cognitions and negative emotions as time elapsed were supported by the notions of PC breach and violation, respectively (Morrison & Robinson, 1997). Through the lens of PC and King's (2016) temporal notion of "talent journey", we could relate the data to the established temporal brackets and distinguish immediate reactions from delayed reactions. Closely inspecting the first-order concepts, we concluded that second-order negative cognitions reflected two closely connected ideas, which we labelled "talent emptiness" and "indeterminacy". Gradually, we reduced the first-order concepts to five second-order themes and then to two aggregated dimensions (Gioia et al., 2013), which we labelled "immediate positive reactions" and "delayed negative reactions". Figure 1 provides an overview of the data structure underpinning our analysis.

4 | FINDINGS

Figure 2 summarizes our findings and illustrates how talent designation triggered immediate positive reactions that represented an embodiment of the social identity of being a "talent" and an accordingly modified PC. Over time, however, these positive reactions turned into negative as talents started to experience PC breach and violation due to the absence of subsequent identity-relevant events that correspond to the constructed "talent" identity and fulfill the modified PC.

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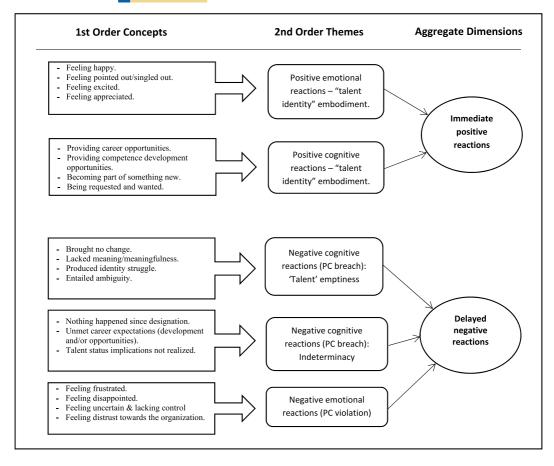
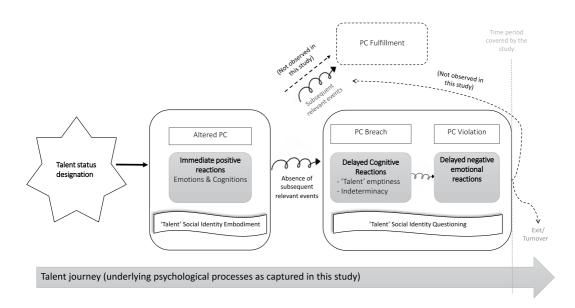


FIGURE 1 Data structure



4.1 | Immediate positive reactions

When asked about how they reacted upon being assigned the talent status, the interviewees expressed positive emotions. Some respondents reflected excitement in general terms (e.g., "It was very exciting that something new is happening, which does not exist in Sweden" (Talent, PubHos) and "It was very exciting to be part of something new that is coming" (Talent, PubHos)). Others were more specific about what this excitement entailed in terms of talent status and the social identity it represented. As one talent put it: "Becoming one of the chosen ones is really exciting" (Talent, Securico). Happiness was an additional positive reaction that participants expressed: "I was very happy" (Talent, Securico), "It felt great" (Talent, PubHos), "I'm very happy of course" (Talent, PubHos) and "It's cool to be selected" (Talent, PubHos). Elaborating on the reasons underlying their positive reactions, some talents associated talent designation with joining an exclusive social group in the organization. For instance, happiness was often associated with feelings of appreciation and being signaled out, that is, what the talent status entails in terms of social identity. As some respondents expressed:

When I found out I was a talent, then it was just wow, oh my God. I felt I had been included in something exclusive.

(Talent, Medico)

When I [...] was selected as a talent, I felt like I was positively pointed out.

(Talent, Medico)

It felt good that I was chosen for this.

(Talent, PubHos)

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As has been proposed by social exchange and PC theories, the informants also expressed expectations of opportunities and benefits to be awarded to them for being a "talent" (i.e., positive cognitive reactions). These expectations thus led them to feel that the employer had promised or even owed them something more. When describing these expectations, talents mentioned that the talent label implied opportunities to develop and advance their careers. For example, several talents were specific in explaining how being a "talent" was expected to strengthen their professional networks and further develop their competence within the organization:

I [thought] it will mean I can broaden my professional contacts and thus be seen more widely in the organization.

(Talent, Securico)

[I thought to be a talent] helps me develop a much better network that I could make use of.

(Talent, Securico)

[To be a talent felt] developing, challenging and skills and competence enhancing. There are just benefits of being selected.

(Talent, PubHos)

Although it was clear that upon being assigned the talent status, talents—embodying the talent identity—tended to modify their PC by heightening their expectations of the obligations that their employers had towards them. However, we also observed an increased expectation to reciprocate, that is, to deliver as "talents". As one respondent put it: "To be selected means to be involved and develop something new" (Talent, PubHos). Another acknowledged: "We who have been selected must build a completely new practice ..." (Talent, PubHos).

Interestingly, although Medico's talents linked the talent status label to future benefits, what these benefits would be was unclear. As two talents reflected:

I thought it might lead to something better, but I did not know because there were no clear or specific consequences.

I felt excited about potentially being requested and wanted in specific situations.

4.2 | Delayed negative reactions

While talents' initial positive emotional and cognitive reactions were characterized by embodying the "talent" identity and constructing new expectations associated with it (i.e., modified PC), these reactions shifted to negative ones as time elapsed. Common among the informants was a perceived incongruity between expectations built upon being awarded talent status and the reality that unfolded, and the subsequent negative emotions. Applying the concepts of PC breach and violation (Morrison & Robinson, 1997), our analysis shows how talents' recognition of breach further developed into violation. Untangling the evidence of breach, we report two closely connected perceptions representing employees' awareness of the discrepancy between what they perceived as promised and what they perceived as delivered over time (approximately 7 months after talent designation): talent emptiness and indeterminacy. The first describes a realization that talent status does not have direct meaningful consequences or implications based on expectations established in the modified PC and the status associated with being a "talent", while the second describes a recognition that—given the perceived timeframe—relevant developments/events expected to follow the socially exclusive talent status (based on the adjusted PC) take too long to occur (if they ever actualize).

4.2.1 | Talent emptiness and negative emotions

Making sense of the situation over time, the incongruity between reality and expectations was apparent in terms of experiencing role identity-struggle. One Securico talent expressed: "I experienced it as a black hole. And that must not be the case, something must happen after you are nominated for talent". Another said: "I experience that [talent designation] sends double messages; it said one thing when I became a talent, but it says something else when nothing is happening. This means you start [to] mistrust and alienate yourself" (Talent, Medico). These expressions reflect an association with being awarded talent status (i.e., embodying the "talent" identity) and the resulting confusion (e.g., questioning/alienation) when the role associated with this identity has not been realized.

Talents also expressed their recognition that being designated "talent" did not result in any meaningful change based on the expectations established in the modified PC (i.e., lack of subsequent relevant events) and how they consequently felt. For instance, talents talked about feelings of disappointment. This was especially evident when they described their realization that existing talent programs did not result in any concrete outcomes. Specifically, being identified as talent and going through a talent program was not perceived as advancing one's professional skills. One disappointed talent said: "The program has not really changed how I do my job" (Talent, Securico).

For some respondents, talent emptiness was even more evident and explicitly questioned the meaning of being a "talent". As several respondents explained:

Because [the nomination] turned out to be unrelated to any consequences, [being a talent] became more like a torment. I became irritated and felt that [being a talent] was no longer meaningful.

(Talent, Securico)

I definitely think I've been acknowledged. But I have told [the management] that it must soon be specified what the talent role means.

(Talent, Medico)

I [...] want to see that something happens, that talent status has an effect.

(Talent, PubHos).

4.2.2 | Indeterminacy and negative emotions

Talents also engaged in sensemaking when expressing their perception of timeframe. Several respondents reported negative emotional reactions after what they perceived as the long period from the time they were selected as a talent and any concrete change that may result from this status. Particularly, talents expressed frustration and demotivation over the lack of opportunities for career development after becoming a "talent". For instance, as supported by internal organizational documents, talents at Securico expected that completing the talent programs would guarantee career advancements within the organizations, but this happened very rarely. Examples of this sentiment include:

We [talents] expected something but nothing happened. We had the perception that we were part of a program and a group that would advance in the organization, but nothing happened.

Everyone had a great time together, but [the talent program] has not meant that anyone has advanced their career, unfortunately. There are already five or six [talents] who have left the company since they've completed the program.

This understanding was similarly observed in Medico as those two excerpts illustrate:

The feedback after I had been selected as high potential [more than 6 months ago] was basically zero. I was emotionally engaged, and it was so frustrating that nothing happened.

What if they call me and want me somewhere? It increased the expectation. But then they never came back to me and that was demotivating.

Interestingly, talents seemed to have expectations not only about career events but also about how fast they would advance their talent journey—something that resembles a career "fast track". For instance, talents' experience of frustration (negative emotions, PC violation) stemmed from impatience regarding when the benefits of their talent status would materialize—given their own timeframe. Several interviewees from PubHos described the processes as slow, and claimed that there was a long way to go before anything would happen. Expressions that conveyed hopelessness and negativity in this regard included: "It's still a bit remote", "It's a long way off yet. It feels like several years away". The interviewees thus seemed to believe that their talent status placed them in a kind of career limbo. One talent commented:

These are extremely lengthy and tenacious processes. In some cases it has felt that we [talents] will never move forward. We selected ones are treading water.

(Talent, PubHos)

Medico's talents reported a similar sentiment, claiming that their own perception of the appropriate timeframe for advancement differed from that of the management. Examples are:

Sometimes I think it's a bit slow and lazy. [Management] may find it convenient that I remain in my role and continue to perform at a high level as long as possible. But [...] I want to develop now, and it is very frustrating to just sit and wait.

We have very few examples of identified talents that are advancing rapidly vertically or horizontally. Instead, [talents] get stuck in a domain they have learned for far too long. It's not good because it's so static and slow.

Indeterminacy was further linked to organizational credibility, as one talent at Securico said: "So far, I do not see anything happening, I was nominated but then it has been quiet. And that, in the long run, undermines the credibility of TM and the organization. It's important that something happens". Another talent at Medico reported that "It is not credible if several months pass before any sign of life appears". A third talent (also at Medico) expressed thoughts capturing indeterminacy and underscoring the need for subsequent identity-relevant events: "I'm a bit like Yoda in Star Wars, "Try not! Do or do not. There is no try." Either you ignore working with talent designation, or you do it. And if you do it, you do it with full force. You do not dabble. Because as it is now it creates a distrust".

Acknowledging the drawback of communicating "talent" status, several HR managers expressed awareness of the risk that talent designation may lead to talents building overly optimistic expectations. For instance, HR managers at Medico explained that one way to prevent talents from developing false expectations could have been to not disclose talent information to the identified talents. However, they did not adopt this strategy because the risks were too high: "If we don't tell them they are talents, we risk them moving to another company" (HR Manager, Medico). Also, although the internal organizational documents at Securico give the impression that talent programs imply career advancements, HR managers pointed out that "the programs should be seen as steps on a path to a promotion rather than a guarantee of career advancement" (HR Manager, Securico).

5 | DISCUSSION

This study sought to answer the questions "How do employees react to being identified as talent in the short-term?" and "How do these reactions evolve over time, and why?" Building on PC theory and SIT, this study answered these two questions and made two key contributions to TM literature: first, it uncovered the psychological processes underlying individual talent reactions to talent designation, and second, it revealed how these processes evolve dynamically over time.

5.1 | Psychological processes underlying immediate reactions to talent designation

Findings from this study showed that employees reacted positively to being identified as talent. From a SIT perspective, this is unsurprising as status represents a socioemotional resource (Cropanzano & Mitchell, 2005) that conveys identity-relevant cues about the talent, and signals recognition and group membership. Consistent with previous research (Sumelius et al., 2020; Wikhamn et al., 2020), social identification was evident as respondents talked about belonging to the exclusive talent group. For instance, they began using "we" when talking about the identified talents in the organization, highlighting the salience of this social group. This supports that talents begin to embody a collective identity orientation where they judge their self-worth based on the extent to which they are assimilated into the social group and how successful the group and its members are (Flynn, 2005).

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Our data also accentuates talents' perception of themselves as key members in the organization, supporting previous TM research that links talent status to organizational identification (Björkman et al., 2013; Wikhamn et al., 2020). These findings bolster previous empirical and conceptual research emphasizing signaling theory and SIT and that talent status is associated with positive employee reactions (e.g., Asplund, 2020; Björkman et al., 2013; McDonnell et al., 2017; O'Connor & Crowley-Henry, 2019).

Additionally, the current findings support previous conceptual arguments that talent designation is a critical event that alters perceived expectations and develops what King (2016) refers to as "talent deal". The results reflected how talents' positive reactions to being formally awarded talent status were accompanied by an intensification of their expectations about support, promotion, and career development from their employer. Furthermore, some respondents expressed that they felt the expectation to deliver as talents. These observations resonate with the PC's exchange dynamics and the idea of "contract drift"—the shift in individual's beliefs about the employer's or one's own obligations (Rousseau, 1995, p. 142)—and are consistent with previous findings (e.g., Dries & De Gieter, 2014; Ehrnrooth et al., 2018; Sonnenberg et al., 2014). Notably, the new expectations represented talent-only future benefits, emphasizing the unique nature of "talent" as a social identity.

In this study, the positive reactions of talents had varying degrees of clarity, thus revealing a connection between implemented organizational TM practices and employee expectations from talent status in practice. This provides support for the claim that talent reaction to talent status is not only one of simple reciprocation (Ehrnrooth et al., 2018) and underlines the role of the organization in informing employees' perceived PC. As TM scholars maintain, ambiguity can contribute to overly optimistic expectations, thus increasing the risk of perceived PC breach (Dries & De Gieter, 2014; Meyers et al., 2017). Most importantly, these findings suggest that talent status can shape employees' identity orientations (Flynn, 2005). In the three studied organizations, immediate reactions to being awarded talent status were associated strongly with perceived future contributions to the wellbeing of the organization (e.g., developing something new, building a new practice) indicating a collective identity orientation with organizational interest as a motive and in the form of generalized social exchange.

5.2 | Psychological processes underlying delayed reactions to talent designation

The emerging negative cognitive reactions included reflections of unfulfilled expectations (PC breach) recognized through the absence of subsequent identity-relevant events while the negative emotional reactions (PC violation) were expressed in terms of feeling frustrated, disappointed, and uncertain. These findings support King's (2016) notion of "talent journey" which refers to how talents experience the employee-organization relationship over time. According to her conceptual model, talents experience TM following talent designation as a series of significant career events that influence subsequent attitudes and behaviours (e.g., turnover, performance, assuming important roles). The current findings affirm the idea of "talent journey" and expand its scope by showing how, over time, talents engage in evaluating and rebalancing their identity-driven PC in response to how they are managed, including detecting unfulfilled "promises" (Morrison & Robinson, 1997).

In this study's analysis, we referred to sensemaking when linking initial positive reactions to delayed negative cognitive ones as "talent emptiness" and "indeterminacy". These two closely related terms signify PC breach, as the sensemaking uncovers perceived discrepancies resulting from continuously evaluating the modified PC. The first term describes emptiness in terms of lacking meaningful and discernible change in relation to the social status inherent in the talent label; the second term conveys the perceived slow speed in relation to one's *own* timeframe for realizing the talent deal. Furthermore, in support of Morrison and Robinson's (1997) argument that how employees make sense of the situation determines whether a perception of violation follows a breach, we argue that cognitive awareness in the form of talent emptiness and indeterminacy precede talents' experience of PC violation, for example, the delayed expression of negative emotions. Although several TM studies emphasize the importance of the PC (e.g., Ehrnrooth et al., 2018; King, 2016; Meyers et al., 2017; Sonnenberg et al., 2014), the current study is pioneer in

describing with greater nuance how relational breach of PC can be experienced by talents and how this breach can evolve into violation.

The few existing studies on negative reactions have held that employees react negatively to talent status because of increased workload, high stress levels, burnout, perceived organizational injustice, identity-struggle and ambiguity surrounding the selection criteria (De Boeck et al., 2018; O'Connor & Crowley-Henry, 2019; Sumelius et al., 2020). In addition to lending support for "identity-struggle" and ambiguity, the present findings assist in explaining the psychological processes underlying these reactions in the long-run. To elucidate the dynamics of PC (Morrison & Robinson, 1997; Rousseau, 1995), the notion of identity orientations (Flynn, 2005) helps to explain the delayed negative reactions of talents. A relational PC breach sends symbolic messages about the relationship between the employee and the organization (Restubog et al., 2008). Rousseau (1995) highlighted that congruence between what employees initially perceive as promised and later actually delivered strengthens trust in the employee-organization relationship. Hence, the organization becomes a source of self-validation from which employees seek emotional support and belongingness (Flynn, 2005; Restubog et al., 2008). However, as time elapses and unmet expectations become more salient, talents' trust in their organization starts to diminish (e.g., some respondents from this study started to question the credibility of their organization and its TM practices), thus undermining the foundation on which the relationship rests and compromising the organization's credibility in the eyes of those talents interviewed. Violating employee trust can prompt decreased feelings of self-worth and consequently a corresponding desire to disassociate oneself from the organization as a focal point (Restubog et al., 2008). This observation is consistent with research arguing that relational breach and violation undermine organizational identification and create a sense that membership in the group is worthless (Epitropaki, 2003, 2013; Kreiner & Ashforth, 2004; Restubog et al., 2008). This weakened association can thus exemplify a shift in identity orientation. In the current study, respondents reported that as time elapsed, their unfulfilled identity-relevant promises became more salient and prompted them to reflect on the value of being a "talent"—that is, on the value of membership in the talent group. With the absence of subsequent identity-relevant events, that is, the lack of "exchange frequency" (Flynn, 2005), talents begin to drift away from the collective identity orientation and the generalized exchange form. Thus, these findings suggest that experiencing a PC breach may constitute a trigger that shifts talents' identity orientation and the exchange dynamics.

Interestingly, our findings support the notion that identity orientations are not stable over time (Flynn, 2005; Restubog et al., 2008). Employees may choose to alter their identity orientation depending on whether the exchange relationship is improving or not. Employees may also engage in "multiple forms of exchange in the same relationship" (Flynn, 2005, p. 741), for example, in dyadic reciprocal and generalized exchanges with the organization. As Flynn (2005) asserts, identity orientations impact patterns of social exchange just as patterns of social exchange influence identity orientations. Applied to the PC, an experienced breach is reflected in the realization of the incompatibility of the involved parties' identity orientations and the subsequent failure of the exchange mode. For instance, upon experiencing breach, talents who previously identified collectively with the organization and had subsequently exercised generalized exchange, began to retreat to (merely) relational identification and direct reciprocal exchange. Some even retreated further to personal identification and started to think of engagement in the form of negotiated exchange. This retreat follows what Flynn (2005) calls identity-based conflict due to exchange-mode failure, that is, the lack of analogous treatment. Identity-based conflicts "reflect one actor's (or both actors') concerns that the other's motives are incompatible with his or her own. [...] If the other actor's motives are perceived to be different, this may jeopardize the intrinsic value of the social referent with which the focal actor primarily identifies the self, a relationship, or the collective" (Flynn, 2005, p. 743). This implies that when one of the parties begins to prefer different forms of social exchange, their different expectations about proper exchange behavior will become more salient. Particularly, they will have dissimilar preferences for direct or indirect reciprocation and for explicit or implicit discussion of the terms of the exchange (Flynn, 2005), thus increasing the risk of a PC breach.

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6 | THEORETICAL CONTRIBUTIONS, PRACTICAL IMPLICATIONS AND AVENUES FOR **FUTURE RESEARCH**

This study responds to recent calls in TM research to investigate how employee reactions to talent designation change over time (King, 2016; Meyers et al., 2017; Sumelius et al., 2020) and provides a theoretically-nuanced elucidation of the dynamics underlying these reactions. The two main contributions of the study are presented below.

First, the study uncovers the psychological processes explaining individual talent reactions to talent designation. By investigating the reactions through the lenses of SIT and PC, it illustrates how talent designation prompts a change in individuals' self-image as members of an exclusive social group and the formation of perceived "promises" associated with this social identity. Consistent with previous research (Dries & De Gieter, 2014; King, 2016), these expectations resulting from talent status inform subsequent judgment of whether the organization fulfilled its obligations towards talents over time. Accordingly, this study builds on social identity research and relational PC to explain experiences of breach and violation in exchanges involving socioemotional resources. Furthermore, in showing how employees establish expectations upon talent designation, this article adds to the understudied area of employee expectations at the individual level within TM (Ehrnrooth et al., 2018). Moreover, the limited conceptual and empirical TM research using PC theory (Rousseau, 1989, 1995) has focused either on the fulfillment of PC or its breach (e.g., Dries et al., 2014; Ehrnrooth et al., 2018; King, 2016; Meyers et al., 2017; Sonnenberg et al., 2014). The current study extends this avenue of research by focusing on PC breach and violation and by explaining how talents' experience of breach develops into violation over time. Particularly, sensemaking (Morrison & Robinson, 1997) was identified as a mechanism that talents use in this regard. Thus, the study contributes to the emerging strand of TM research that describes employees' psychological reactions to talent status as a far more complex and multifaceted phenomenon than previously thought (e.g., De Boeck et al., 2018; Ehrnrooth et al., 2018; Meyers, 2020; Sumelius et al., 2020) and supports earlier arguments that employees identified as talents may also develop negative reactions (Gelens et al., 2014). By showing that positive and negative reactions are not mutually exclusive but rather closely connected (De Boeck et al., 2018), the complexity of talent reactions, including the limitation of binary conceptualizations, is revealed.

Second, this study reveals how psychological processes evolve dynamically over time. Specifically, it distinguishes between short-term reactions and delayed reactions, affirming Meyers et al.'s (2017) proposition that time is important for understanding talent reactions. As such, it contributes to the understanding of employee reactions as a "journey" and how and why these reactions can evolve over time (King, 2016; Sumelius et al., 2020). Accordingly, this study advances TM research by unpacking the differences in reactions to talent designation and the role of talents' perceived timeframe in shaping them. This is a major contribution as previous research has called for answers to the questions "How do talents experience the effects of talent designation over time? What are the short- and long-term effects?" (Meyers et al., 2017, p. 188). We admit, however, that the long-term timeframe (approximately 7-12 months) used in this study is limited and one cannot draw conclusions beyond this period. Nonetheless, the current study emphasizes that the "talent journey" does not always follow a linear path: some talents may experience setbacks (absence of identity-relevant subsequent career events), but these do not necessarily bring the talent journey to an end. This understanding thus offers a more nuanced conceptualization of employee reactions to talent designation as processual and sheds light on potential trajectories of "talent journey" during the first year where not only career events (King, 2016) but also their absence may become an integral part of the journey.

The scant PC research in TM utilizes SET's framework; that is, it analyzes relational PC using a transactional lens. Status is a socioemotional, particularistic resource that communicates identity-relevant, group-based information about its holder (Cropanzano & Mitchell, 2005; Foa & Foa, 1980; Restubog et al., 2008). This study contributes to and advances current TM research (e.g., Wikhamn et al., 2020) that introduces SIT to explain employee reactions to being awarded talent status. Specifically, it unfolds the complex interaction between social identity and PC (including breach and violation) by showing how the "talent deal" associates with an emerging talent identity and accordingly modified PC that inform talents' judgment of the contract's (un)fulfillment over time. Thus, these findings suggest that SIT is key for explaining the psychological dynamics of talents' short-term and long-term reactions in exchanges involving identity-based resources.

Whereas immediate positive reactions tend to stem from, and are strongly coupled with, status, delayed negative reactions reflect the absence of expected benefits believed to correspond to the "talent" identity. The current findings confirm the relative feature of relational and transactional PC (Coyle-Shapiro et al., 2019) and the interaction of time and identity in their development among talents. Furthermore, and in support of the proposition of De Boeck et al. (2018), SIT is likely better for explaining symbolic reactions to talent status whereas SET is a better theory for understanding reactions related to benefits originating from TM practices. As a symbolic resource, an "expiry date" or "best before"-date for the talent label has never been discussed in research. Nonetheless, evidence from this study suggests that preserving the exclusive "talent status" requires nurturing, thus emphasizing the role of TM practices.

Interestingly, the current study extends research on the malleability of identity orientations and exchange forms (Flynn, 2005). While immediate reactions suggest generalized exchange corresponding to collective identity orientation, delayed reactions indicate that reciprocated exchange becomes more salient over time. Respondents' reflections expressing reciprocated exchange point to talents' emphasis on role-specific behavior and its fulfillment. As Flynn (2005) asserts, exchange frequency over time indicates compatibility of values and activates a certain identity orientation. In this study, it was found that talents' collective identity is more salient immediately after talent designation, but that this orientation began to fade as exchange frequency failed, leading to relational and personal exchange orientations becoming more prominent in the long-run. Therefore, in response to the question: "Can the effects of talent designation be attributed to having a talent status or to receiving benefits associated with this status?" (Meyers et al., 2017, p. 188), this study suggests that talents' immediate reactions are strongly associated with the ascribed status, while delayed reactions seem to be more associated with the absence of benefits supposedly inherent in this status. Admittedly, however, status and benefits seem to have an intertwined relationship that offers fertile ground for future research.

The introduced concepts of "talent emptiness" and "indeterminacy" are key notions for understanding the talent journey. Talents apparently experience a more compressed timeframe (compared to their organizations and managers) where not only employer expected obligations towards them increase, but also an expectation for the speed with which organizations should act upon this. In other words, there is a felt acceleration where expectations for speed change. This contribution is important as it accentuates the subjectivity of "time" in the PC (including the "long-term" feature characterizing the relational form) and introduces a provocative question about the appropriateness of the "talent journey" metaphor in favor of time-based metaphors such as "talent race" or "fast track".

6.1 | Practical implications

These findings have important practical implications, some of which corroborate previous research (e.g., Dries & De Gieter, 2014; Ehrnrooth et al., 2018; Sumelius et al., 2020). First, TM practices should be designed cautiously as they influence talents' perception of the "new" employee-organization relationship by informing employees' subjective expectations of talent status and own judgement of their (un)fulfillment over time. Also, to reduce delayed negative reactions, organizations can communicate realistic implications of the talent label to avoid overly optimistic expectations concerning career prospects and timeframe. Second, organizations should consider the underlying motives for working with TM. As our study shows, initial favorable reactions may not last if talent designation is not managed satisfactorily as a process. The availability of systems and processes that follow talent identification is therefore crucial. Third, over time talents begin to consider what being a "talent" means and evaluate the exchange in the relationship. By recognizing talents' perceptions of "talent emptiness" and "indeterminacy" organizations can reflect on their role in nurturing the "talent journey" (and, for those organizations that adopt exclusive TM, preserving the "exclusivity" of the "talent" label). Finally, managers must view TM as a process with both immediate and delayed reactions and thus be prepared for potential negative reactions over time.

6.2 | Limitations and avenues for future research

First, "talent" status as a symbolic resource is key for understanding employees' reactions but its long-term value can be threatened due to perceived lack of exchange frequency; this emphasizes that status and its "subsequent benefits" are intertwined. Future TM studies should thus investigate the relationship between status and benefits with a focus on the term "exchange frequency" (Flynn, 2005) and illustrate its significance for the "talent journey" (King, 2016). Potential research questions are: What type of "resources" would talents and organizations consider meaningful in a long-term exchange? And, what constitutes "satisfactory frequency" in such an exchange (how often)?.

Second, this study analyzes immediate and delayed cognitive and emotional reactions using the PC framework. We call future TM research to investigate those factors that affect employee perceptions of PC breach and violation (Robinson & Morrison, 2000) and how they influence talents' emotions, attitudes, and behavior. For instance, previous research has reported that PC violations are negatively associated with employees' intentions to remain with their employer and positively with actual turnover (Robinson & Rousseau, 1994). However, not all violations lead to employment termination—so how can talents' experiences of breach and violation be repaired?.

Third, the assumption in this study is that respondents did not have prior knowledge of their talent designation until their performance-appraisal meeting. Thus, the surprise factor was present and is likely to have influenced talents' immediate reactions and the modification of their PC. Future research can investigate this assumption by comparing the reactions of talents who had prior knowledge of their talent designation with those who did not.

Fourth, the links between PC fulfillment, breach, and violation (Morrison & Robinson, 1997; Rousseau, 1995) and identity orientations and exchange forms (Flynn, 2005) deserve more scholarly attention. TM research adopting a processual understanding of talent reactions can more thoroughly explore the dynamics underlying the shift(s) in the talent journey and their consequences over time. Uncovering the relationship between employees' relational, transactional, and balanced PC (Coyle-Shapiro et al., 2019) and talent identity orientation over time would be insightful, especially if "[l]ike exchange orientations, identity orientations are unfixed" and "employees may emphasize multiple exchange forms in the same relationship" (Flynn, 2005, p. 741).

Fifth, qualitative research is significant for developing an in-depth understanding of employee reactions over time. The processual dynamics of talent reactions in this study were mostly captured retrospectively. Retrospective data relies on memory. Although recall issues of a key event such as talent designation may not be a concern, future studies are encouraged to adopt a longitudinal research design (e.g., qualitative diary study) to follow the reactions of talents as they develop over an extended period. Given the conclusion that the talent journey is not linear, future research can also apply a critical-incident technique to unravel the key events, triggers, and trajectories in the process.

Finally, reactions are best understood in their context. For instance, organizational TM maturity and stability can have an impact on employee reactions. In two of the studied organizations, TM was rather young, which enabled the researchers to shed light on the dynamics of the talent journey and talent reactions when employers do not deliver their part of the talent deal and/or manage the deal adequately. We call future research to explore the ideas presented by using a contextualized lens (the special issue by Gallardo-Gallardo et al., 2020, is a recommended start on "context" in TM). Such studies certainly contribute to extending our understanding of the (in)effectiveness of TM and of positive and negative reactions to talent designation.

ACKNOWLEDGEMENTS

The authors would like to thank Professor Gill Kirton, and the two anonymous reviewers for their very insightful comments and constructive suggestions throughout the review process. No funding has been received for the preparation of this manuscript.

CONFLICT OF INTEREST

The authors have no conflict of interest to declare.

DATA AVAILABILITY STATEMENT

Research data are not shared.

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ENDNOTES

- ¹ This study is part of a larger research project.
- ² We thank an anonymous reviewer for these ideas.

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How to cite this article: Tyskbo, D., & Wikhamn, W. (2022). Talent designation as a mixed blessing: Shortand long-term employee reactions to talent status. *Human Resource Management Journal*, 1–19. https://doi.org/10.1111/1748-8583.12485