

TALENT IDENTIFICATION IN SHAPING EMPLOYEES' RELATIONAL AND TRANSACTIONAL PSYCHOLOGICAL CONTRACT: EVIDENCE FROM TELECOM ORGANIZATIONS

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ABSTRACT

The notion of talent identification with behavioral and attitudinal factors regarding employees' preferences, expectation and promises is under-researched, especially in developing economies. Talent identification is a critical element in shaping employees' expectation and reciprocal obligation during employment relationships. Keeping in view this individual perspective, an empirical framework is designed to investigate the effects of talent identification towards transactional and relational psychological contract. Using simple random sampling technique, 380 respondents on the position of senior managers, managers, assistant managers, supervisors and team leaders were selected, from telecom sector of Pakistan. Results revealed that employees who perceive that they are identified as talent by their organization, are more likely to indicate high relational psychological contract than those who perceive that they are not identified as talent, and who do not know whether they are identified as talent or not. Moreover, employees who perceive that they are identified as talent are more likely to indicate high transactional psychological contract than those who perceive that they are not identified as talent, and not sure about that. Current study has practical implications for managers and decision makers who anticipate their talented employees to remain with the organization for success.

Keywords: Talent Identification; Relational Psychological Contract; Transactional Psychological Contract

INTRODUCTION

Across the globe, talent management of employees is becoming one of the priorities for organizations, in their uncertain and highly dynamic environment (Khoreva, Vaiman, & Zalk, 2017; Meyers & Woerkom, 2014; Vaiman, Scullion, & Collings, 2012). For decades, assessment of talented employees has been a popular topic, which had primary attention on the development and the use of talent identification tools and interventions. Currently, there are relatively few empirical perspectives on assessment in practice, as industrial and organizational psychology practitioners and consultants have limited information to compare with literature (Church & Rotolo, 2013). Researchers argued about talent management, "as the systematic identification, selection and development of talent in a structured and enriched program of activities and instruments in which multiple actors are involved and assert influence" (Thunnissen & Van Arensbergen, 2015, p. 197). This brings attention towards talent identification as the initial step in talent management phenomenon, which needs critical and challenging managerial decisions.

Authors discussed that literature lacks to answer the question of how to identify talent and related factors that classify whether talent or not (Mäkelä, Björkman, & Ehrnrooth, 2010). Organizations use various tools, methods and practices to identify top talent (Church & Rotolo, 2013). These talent identification practices vary from organization to organization. However, the aim of talent identification practices should not be limited, to uncover the available talent but also comprises those individuals, who have the potential to fill the pivotal positions in the future (Nijs, Gallardo-Gallardo, Dries, & Sels, 2014). According to P. R. Sparrow, Scullion, and Tarique (2014), talent identification takes place through effective and systematic approaches to espouse talented employees, role identification, instruments and frameworks used in assessment and identification systems of top talent.

In spite of the foremost importance of talent identification, literature inscribes the prevailing tension that whether organizations should inform their employees that they are identified as talent, or not. Previous studies conducted by Björkman, Ehrnrooth, Mäkelä, Smale, and Sumelius (2013), have highlighted this issue.

According to them, there is no research found to investigate this area, whether to inform employees about their possible status of talent or not, and to see its effects on individuals? Björkman et al. (2013), argued that if the status of talented employees is not announced publically, there is a chance, it generates the frustration among

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talented employees, who do not feel adequately recognized. In contrast, if talented employees are publically announced, the motivation of those employees who are not in the talent list may decrease. We argue that because of talent identification in organizations, employees view that at least their efforts are recognized and rewarded with justice, when owners have the sense to differentiate fast running and slow running horses. This leads to generate various employees' perceptions regarding expectations, beliefs and reciprocal obligations. The study conducted by Björkman et al. (2013), examined the effects of talent identification on employees' attitudinal outcomes that did not address the behavioral factors of employees, such as psychological contract, which is explored in the current study. As researchers argued that talent management literature have found limited empirical studies, and lack the theoretical foundations (Collings & Mellahi, 2009; Thunnissen, Boselie, & Fruytier, 2013), to correlate the field with contextual and behavioral outcomes. Similarly, another study pinpointed the need of research in this context such as:

A central line of future research is therefore to explore how psychological contract obligations differ between "pools" of employees, e.g. employees who know they are identified as talent, employees who know that they are not identified as talent and employees who do not know whether or not they are identified as talent. Future research is pertinently needed to fill this research gap in order to increase our knowledge of the consequences of talent management practices (Höglund, 2012, p. 136).

The current study fulfills the research gap highlighted in previous studies (Björkman et al., 2013; Höglund, 2012), to investigate the effects of talent identification status on employees' psychological contract. The study is conducted in telecom organizations of Pakistan. According to Hashim, Munir, and Khan (2009), telecom sector of Pakistan contributes in the economic growth of the country. Similarly, Tymon, Stumpf, and Doh (2010), addressed the challenges for these organizations regarding talent identification, training and development of employees. The rising importance of telecom sector of Pakistan generates the need of more empirical basis to explore the key challenges. It contributes in talent management literature to answer the research questions such as: What is the relationship of talent identification perceptions of employees (such as perceptions about being identified as talent; not known as talent; and do not confirm about talent status) with relational psychological contract? Whether talent identification perceptions of employees' these various groups have dissimilar effects on relational psychological contract or not?

Research Objectives

- To examine the effects of talent identification perceptions of employees' various groups such as, who perceived themselves being identified as talent; not recognized as talent; and do not know about their talent status, towards transactional psychological contract.
- To study the effects of talent identification perceptions of employees' various groups such as, who perceived themselves being identified as talent; not known as talent; and do not know about their talent status, towards relational psychological contract.

LITERATURE REVIEW

Talent Identification

Identification of talent is just like spotting the crystals of salt in a tub of sand. It is not an easy task in the talent management process. Large organizations, even small and medium enterprises consist of hundreds of employees, in which to categorize talented and less talented workers, is a challenging process for organizations. Particularly, for telecom organizations that hold headquarters, franchises and hundreds of branches in multiple cities, consist thousands of employees. According to the researchers, "high potential identification and development (also known as talent management) refers to the process by which an organization identifies and develops employees who are potentially able to move into leadership roles sometime in the future" (Slan-Jerusalem & Hausdorf, 2007, p. 934). Another scholars define:

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

What skills and competencies are needed to identify in talent identification process, is a debate that depends on how an organization defines its talent and gives it meaning. This decision is contextual in nature and varies from organization to organization. For example, a company "A" is looking for technical engineers; company "B" requires behavioral, creative and leadership skills related to highly diverse environment for its human resource department; and a company "C" needs salesmanship skills, customer relationship behavior and complaint management skills for its marketing department. However, Turner and Kalman (2014), contended that talent identification requires, on one hand technical knowledge and skills; and on the other hand, right behaviors and attitudes. Learning culture and recognition of high performers increase motivation, loyalty, and

commitment among employees. That is why organizational culture that creates equal learning and developmental opportunities, promotes merit based system in talent identification process. According to researchers:

The pool from which talent can be selected will be larger, if the organization has a culture of innovation and success in bringing in and nurturing their people. Such a culture will eventually be translated into perceptions of the organization through the employer brand. A reputation for talent becomes a self-fulfilling advantage for both attraction and retention (Turner & Kalman, 2014, p. 145).

When an organization decides to successfully implement talent plan, it initially defines talent strategy whether, the focus on all employees (inclusive approach), or a selected group of people (exclusive approach) that are perceived talented to fill challenging positions in the organization. Talent identification reflects the internal recognition of high potential incumbents with exceptional skills and competencies. Google is known about using both exclusive and inclusive approach for talent identification; Unilever adopts flexible approaches if one is not working – nurturing the internal talent and simultaneously, appealing people from outside the organization (Turner & Kalman, 2014). LG and General Electric company focus on exclusive choice; whilst, Novartis adopts inclusive approach regarding talent identification (Schuler, 2015).

Table 1: Talent Identification Practices

Talent Identification Practices	Source
Talent audits	Armstrong and Taylor (2014)
Talent reviews	Turner and Kalman (2014)
9-box talent model	Schuler (2015); Turner and Kalman (2014)
360-degree feedback	Church and Rotolo (2013)
Succession plan	Turner and Kalman (2014)
Interactive simulations or role plays	Church and Rotolo (2013)
Performance management/score	Nijs et al. (2014), Armstrong and Taylor (2014), Turner and Kalman (2014)
Biographical data	Church and Rotolo (2013)
Assessment centers	P. R. Sparrow et al. (2014), Turner and Kalman (2014), Church and Rotolo (2013), CIPD (2011)
Data-based approach/activities	Schuler (2015)
Face-to-face interviews	Church and Rotolo (2013)
Personality/cognitive ability tests	Church and Rotolo (2013)

Various methods and practices are used for talent identification in the organizations, as mentioned in Table 1. For instance, assessment centers, leadership assessment, performance management, talent reviews, competency profiling, 9-box performance/potential model and succession plans are used as the measures of talent identification (Turner & Kalman, 2014). Other tools and methods for the assessment and identification of talented employees include cognitive ability tests, questionnaires, personality tests, biographical data, interactive simulations or role plays, administrative simulations, assessment centers, reference check and career achievement inventories (Church & Rotolo, 2013).

These talent identification tools and practices create vibes to shape employees' perceptions about their expectations and obligations that generate differential behaviors of employees. Studies found positive association between talent management and individual behaviors such as employees' engagement, higher job satisfaction, and improved quality and skills (Bethke-Langenegger, Mahler, & Staffelbach, 2011; Björkman et al., 2013; Chami Malaeb, 2012). However, individual perceptions regarding relational and transactional psychological contract are raised, as the consequences of talent identification choices, taken by the organization; for instance, employees who think they are recognized as talent, not known as talent, or not sure about their talent status, and their respective effects to form various behaviors and attitudes. Withstanding the views about, "individual perceptions are evaluated by the employee by comparing organizational experiences such as TM practices to their psychological contracts" (Festing & Schafer, 2014, p. 264), these talent perceptions shape psychological contract, which are discussed in the next headings.

Shaping Transactional Psychological Contract

Employees develop perceptions about reciprocal obligations and promises that shape advocate employment relationships (Edwards & Karau, 2007). These promises, obligations, beliefs, perceptions and expectations developed by employees, generate psychological contract that are attached with a range of outcomes such as commitment, job satisfaction, socialization and organizational culture (P. Sparrow & West, 2002). Literature has segregated psychological contract into two different types: (a) transactional psychological contract and (b) relational psychological contract (Macneil, 1985). Transactional psychological contract is explained as short-term agreement with the large economic focus; whereas, relational psychological contract describes as long-

term and open ended agreements with a focus on both economic and socio-emotional exchanges (Macneil, 1985). D. M. Rousseau (1990), defined transactional psychological contract as close-ended, extrinsic, specific, observable and static obligations with a narrow scope and economic focus.

According to Millward and Hopkins (1998), in transactional state, employees simply perceive the organization, a place to work with minute attachment or less emotional commitment to it, and they seek immediate rewards such as pay and incentives against employment. Transactional contract is a contract explained in terms of monetary exchange with time-bound, in which an employee's identity is derived from his/her distinguished skills and competencies (Millward & Hopkins, 1998). Previous studies indicated that mere promises are not the basis to form psychological contract, there are some considerations in exchange relationship that generate promises, at employee's end such as commitment, hardwork and acceptance of transfer; on the other hand, promises at employer's end such as pay, promotions or career growth (Robinson & Rousseau, 1994), specifically, identification of talented employees create the beliefs of fulfilment of these promises.

Authors agreed that recent studies have indicated that talent identification, development and retention play an important role in shaping employees' behavior and influencing organizational outcomes (Festing & Schafer, 2014). Millward and Hopkins (1998), found that "under a transactional contract, an individual's identity is said to be derived from their unique skills and competencies, those on which the exchange relationship itself is based" (p. 1532). Björkman et al. (2013), have raised the issue to see the differences in attitudinal outcomes in both employees' groups, whether talented employees need to be communicated that they are recognized as talent or not.

Moreover, Björkman et al. (2013), proposed in their study that those employees who observe that they are identified as talent are expected more to indicate positive effects on attitudinal outcomes of employees. Festing and Schafer (2014), suggested that to gain positive effects on the psychological contract of the talent, employees should be communicated that they have been identified as talent by their organization. Talent identification shapes various attitudinal outcomes such as transactional and relational psychological contract in employees' groups. As employees are anticipated to input several attributes towards new deal, for instance, work attitudes [that form transactional and relational psychological contracts] (P. Sparrow & West, 2002). On the basis of above literature following propositions are hypothesized:

H₁: Employees perceived themselves being identified as talent indicate higher transactional psychological contract as compared to those who perceived themselves as not identified as talent.

H₂: Employees perceived themselves being identified as talent show higher transactional psychological contract as compared to those who do not know whether they are known as talent.

H₃: Employees perceived themselves not being identified as talent express higher transactional psychological contract as compared to those who do not know whether they are recognized as talent.

Shaping Relational Psychological Contract

Relational psychological contract is subjective in nature, open-ended and indefinite that involves dynamic obligation with a more persuasive scope and a focus on economic, non-economic and socio-emotional elements (D. M. Rousseau, 1990). It is unspecified and subjective in nature, such as, extra-role behavior, high emotional involvement and organizational citizenship behavior (D. Rousseau, 1995). In this relational form, employer is considered the locus of responsibility and, in return, employees fully tend to align their values and identities with the company for long-term gains (Millward & Hopkins, 1998). "The relational dimension refers to contracts emphasizing social exchange and interdependence. In contrast, transactions emphasize the concrete content of the contract – what is agreed" (Guest, 1998, p. 653). D. M. Rousseau (1990), explained the nature of both types of psychological contract in more prolific form.

Table 2: Contractual Continuum developed by D. M. Rousseau (1990)

	Transactional Contract	Relational Contract
Focus	Economic, extrinsic	Economic and non-economic, socio-emotional, intrinsic
Time frame	Close-ended, specific	Open-ended, indefinite
Stability	Static	Dynamic
Scope	Narrow	Pervasive
Tangibility	Public, observable	Subjective, understood

Relational orientation of employees is embraced the propensity towards a contract, involves promises such as, trust, high degree of integration, high affective commitment, stability, high identification with the exchange partner, and self-reported contribution to reciprocal exchange with the employer (Millward & Hopkins, 1998). This indicates that relational orientation is formed, when employer takes care of their employees in the form of identification of top talent, retention and growth opportunities. Therefore, employees develop relational psychological contract when they see that their employer is investing money and efforts on them. As a result,

talent identification creates positive behavior among employees, such as, study conducted by Björkman et al. (2013), indicated that people who are communicated that they were known as talent by their organization, showed more commitment to enhance their performance, to support strategic priorities of their departments and to improve their competencies, as compared to those employees who were not identified as talented by their organization. Similarly, recent studies indicated that fulfillment of psychological contract is an imperative driver of organizational identification and employee satisfaction (Rodwell, Ellershaw, & Flower, 2015).

Höglund (2012), argued that the extent to which employees perceive the behaviors and qualities that reflect talent are identified and rewarded, employees would align their behavior and generate those required skills. These behaviors cultivate the relational psychological contract among employees. To solve the issues, whether, identified high potential employees should be notified or not, for this purpose, organizations are commended to proceed with carefulness, if publicizing this information to employees (Kelly, 2013). According to Kelly (2013), employees may deserve to know that they are recognized as high talent, to boost up their morale but as a pitfall this may leads to increased expectations and eagerness; however, a well-designed talent identification system can improve the selection criteria and ultimately impact on individual outcomes to shape relational psychological contract. Similarly, Björkman et al. (2013), have found the difference in various groups of employees, such as, employee who perceive they are talent, who perceive they are not talent, and who are unclear about their talent regarding employees attitudes. Grounded on these arguments following hypotheses are developed:

H₄: Employees perceived themselves being identified as talent indicate higher relational psychological contract as compared to those who perceived themselves as not identified as talent.

H₅: Employees perceived themselves being identified as talent show higher relational psychological contract as compared to those who do not know whether they are known as talent.

H₆: Employees perceived themselves not being identified as talent express higher relational psychological contract as compared to those who do not know whether they are recognized as talent.

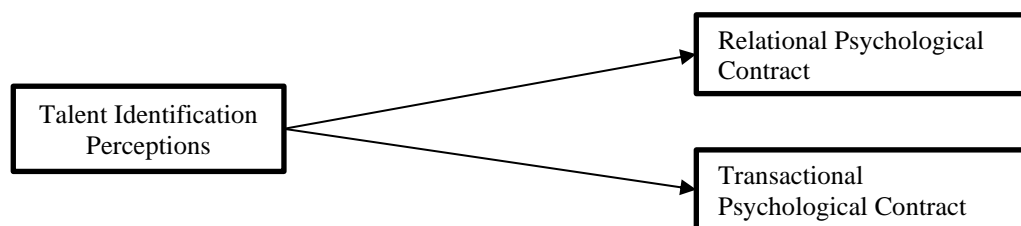


Figure 1: Talent identification towards psychological contract

RESEARCH METHODS

Study is conducted on telecom organizations in Pakistan, to inspect the effects of talent identification on individual factors such as transactional and relational psychological contract. Data was collected through online survey questionnaire. Respondents of the study such as senior managers, managers, assistant managers, supervisors and team leaders were reached, via LinkedIn using Google survey form. These respondents were serving in all departments of five organizations including Telenor, Ufone, Jazz, Zong and PTCL. These organizations contain approximately 18,750 number of employees, comprising the position of senior managers, managers, assistant managers, supervisors and team leaders. Using simple random sampling technique, total 2,000 surveys (400 x 5 companies) were equally distributed to the respondents, out of which 380 participants filled the online survey, with a response rate of 19%. Details of population and questionnaire distribution is given below:

Table 3: Distribution of Online Survey Questionnaire

Companies	Online Survey on LinkedIn (using Google form)			Response Rate
	Managerial Staff of each company*	Survey sent to the number of Respondents	Number of Responses Received	
Zong	2,700	400	77	19%
Telenor	3,200	400	68	17%
Ufone	3,150	400	65	16%
PTCL	5,000	400	79	19%
Jazz	4,700	400	91	22%
Total	18,750	2,000	380	19%

*Managerial staff of each company is presenting the population having the position of senior manager, manager, assistant manager, team leader and supervisor.

Instrumentation

To measure respondents' perceptions about talent identified or not, single-item talent identification instrument developed by Björkman et al. (2013) was used. Respondents were asked: "Are you identified as talent by your organization?" on a three-point scale, "1 = no", "2 = do not know" and "3 = yes". Sackett and Larson (1990), argued that using single item in measurement is the best approach, when a construct is unidimensional, unambiguous to the respondent and narrow in scope. Similarly, it is argued that, "when an attribute is judged to be concrete, there is no need to use more than a single item" (Rossiter, 2002, p. 313). Bergkvist and Rossiter (2009), found similar predictive validity of single item scale, as compared to multi-level scale. These evidences from previous studies showed the appropriateness of using single-item scale.

Transactional psychological contract is measured by using 7-items instrument developed by Lu, Capezio, Restubog, Garcia, and Wang (2016), ranging from 1 = strongly disagree to 7 = strongly agree. To measure relational psychological contract, Lu et al. (2016), and Raja, Johns, and Ntalianis (2004), scale is used containing 9-items, ranging from 1 = strongly disagree to 7 = strongly agree. Data coding was done in such a way that a higher score indicated the higher level for all variables. Table 4 indicates the correlation matrix of the study variables, all values of correlation is below 0.70, which shows that the model does not suffer from the serious collinearity problem. As, Kline (2005), argued that the multi-collinearity problems occur when the values of correlation fall above 0.85.

Table 4: Mean, Standard Deviation and Correlation Matrix

	Mean	SD	1	2	3
1. Talent Identification	2.60	0.66	1		
2. Transactional Psychological Contract	3.34	1.19	0.09*	1	
3. Relational Psychological Contract	4.93	1.17	0.30*	0.03*	1

*Correlation is significant at 0.01 (2-tailed).

Table 5: Reliability Analysis

Variables	Cronbach Alpha
Transactional Psychological Contract	0.75
Relational Psychological Contract	0.87

ANALYSIS

Table 6: Multivariate Linear Regression (Yes and No)

	Yes vs. No		t-statistic
	β	Std. Error	
Transactional Psychological Contract	0.31*	0.20	2.60*
Relational Psychological Contract	0.95*	0.19	3.81*
R²	0.94		
F	1.28		
N	380		

*Two tailed test at $P < 0.01$

Table 7: Multivariate Linear Regression (Yes and Don't know)

	Yes vs. Don't know		t-statistic
	β	Std. Error	
Transactional Psychological Contract	0.20*	0.15	2.68*
Relational Psychological Contract	0.66*	0.14	2.96*
R²	0.94		
F	1.28		
N	380		

*Two tailed test at $P < 0.01$

Table 8: Multivariate Linear Regression (Don't know and No)

	Don't know vs. No		t-statistic
	β	Std. Error	
Transactional Psychological Contract	0.11**	0.23	1.74*
Relational Psychological Contract	0.27**	0.22	3.02*
R²	0.94		
F	1.28		
N	380		

*Two tailed test at $P < 0.01$, ** $P > 0.05$

Current study examines the differences between three groups of talent identification and their effects on transactional psychological contract and relational psychological contract among employees. Results of first hypothesis revealed that employees, who perceive that they are identified as talent are more likely to indicate high transactional psychological contract, than those employees who observe that they are not identified as talent. Hence, first hypothesis of the study is accepted ($\beta = 0.31$, $P < 0.01$). Similarly, second hypothesis of the study is also accepted ($\beta = 0.20$, $P < 0.01$), which postulates that employees who think that they are known, as talent are more likely to indicate high transactional psychological contract, than those employees who are not sure about their talent recognition status. Whereas, third hypothesis of the study is not supported which found the differences between “do not know” and “no” towards transactional psychological contract ($\beta = 0.11$, $P > 0.05$). These results are in line with the previous study conducted by Björkman et al. (2013), which were indicated that there were significant differences between three groups of talent identification towards employees’ attitudes. Researchers found that these differences reflected commitment to increasing performance demands, actively support to strategic priorities, developing valuable competencies and identification with the focal unit (Björkman et al., 2013).

Fourth hypothesis of the study suggests that employees, who think that they are recognized as talent, indicate high relational psychological contract, than those employees who think that they are not identified as talent, is also supported ($\beta = 0.95$, $P < 0.01$). Similarly, fifth hypothesis of the study that posits the differences of two groups (“yes” and “do not know”) of employees’ perceptions about talent identification, towards relational psychological contract, is empirically supported ($\beta = 0.66$, $P < 0.01$). On the other hand, the results of sixth hypothesis did not find significant differences between two groups (“do not know” and “no”) regarding relational psychological contract ($\beta = 0.27$, $P > 0.05$). So the sixth hypothesis is not supported. Current study contributes in the literature to give empirical evidences about the unexplored association between talent identification and both types of psychological contracts (transactional and relational). The results suggest that communication of talent identification generates various positive attitudinal and behavioral changes, among employees such as, fulfillment of transactional and relational psychological contract. As authors suggested that, “if both talent reviews and communication about inclusion are conducted in a transparent and fair way, and if those who haven’t been identified as talent have a real chance of making it next time around” (Björkman et al., 2013, p. 209).

DISCUSSION AND CONCLUSION

We argued that talent identification is a critical, analytical and intellectual process that should be based on a robust defined criteria and employees’ performance data, free from personal liking and disliking, and without discrimination with respect to gender, age and group. Previous studies found the positive effects of talent management on both organizational performance and individual level (Bethke-Langenegger et al., 2011). Researchers argued that employee and employer relationships are tight with each other, with implicit beliefs about mutual expectations, reciprocal obligations and unwritten promises (Edwards & Karau, 2007; D. M. Rousseau, 1990). These individual beliefs are evaluated by comparing organizational experiences (Festing & Schafer, 2014). As, “individual differences are expected to return as important predictors of adaptive work behaviour in the new employment contract, with some individuals likely to pursue high intensity/variety patterns, and others seeking the opposite” (P. Sparrow & West, 2002, p. 15).

This means psychological contracts can be formed and breached due to one of the antecedents such as employer’s decisions about talent identification. These decisions involve whether or not to inform employees that they are recognized as talent by their organization. Festing and Schafer (2014), suggested that employees should be communicated that they have been identified as high potential, by their employer to gain positive effects on employees’ psychological contract. In line with this view, results of the current study argued that employees, who notice that they are identified as talent are more likely to indicate high transactional and relational psychological contract, than those who perceive that they are not recognized as talent, or do not know whether they are identified as talent.

Research Implications

The objectives of the study were to study the effects of talent identification of employees having various perceptions about whether identified as talent by their organization, not recognized as talent, and do not confirm about talent status towards relational and transactional psychological contract. Our results found the significant differences between these groups, employees who think that they are known as talent, and who do not know and not recognized as talent. Moreover, employees indicate higher transactional and relational psychological contract, when they perceive that they are being identified as talent by their organization. It is suggested to generate positive feelings among employees, human resource managers and business owners should publicize the nominees of talented employees, which leads to develop transactional and relational psychological contract among employees.

Organizations should pay attention to identify, develop, engage and retain their top talent, in order to gain various individual and organizational benefits. Talented employees feel a sense of responsibility, perform in the long-run, show loyalty and trust with the organization, if they are recognized as the most valuable human asset – talent of the organization. Managers need to identify high potentials or star employees in their organization. There should be a well-entrenched mechanism in the organization, to uncover the exceptional skills and competencies of existing talent and to attract the new talent from outside the organization.

Limitations and Future Directions

The study has some limitations, such as the data was collected at a single point in time. Longitudinal studies in future may give more realistic results, to inspect the attitudinal and behavioral effects of talent identification towards various forms of psychological contract. Data collection was limited to telecom organizations only. The study should be extended in other sectors including private and public organizations too. Current research focuses the differences of talent identification regarding transactional and relational psychological contract, and this model needs to be studied in the presence of other independent variables such as, talent retention and talent development for future studies, to correlate and compare multiple effects. Moreover, mediating and moderating effects of other individual variables are unfathomed.

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