Self-perceived talent status and employee outcomes: role of the organisational justice in Japanese learning organisations

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Abstract

Purpose – This study aims to examine the relationship between self-perceived talent status (SPTS) and positive employee outcomes (work engagement and organisational commitment), mediated by organisational justice (distributive and procedural justice). The authors define SPTS as employees’ self-conceptualisation of talent, formed by inferring the organisation’s initiatives regarding training and development opportunities and through informal recognition by others.

Design/methodology/approach – The authors measured SPTS using eight items on a five-point scale. Through an internet survey company, the authors initially surveyed 1,207 full-time employees from 300 Japanese companies with ≥ 300 employees. In the second round of the survey, conducted after approximately two weeks, 876 (82.9%) responses were collected from the initial 1,207 respondents, which were used for the final analysis.

Findings – SPTS was directly and positively related to work engagement, organisational commitment, distributive justice and procedural justice. In learning organisations, SPTS was positively but indirectly related to work engagement and organisational commitment, mediated by distributive justice. In non-learning organisations, SPTS was positively but indirectly related to work engagement and organisational commitment, mediated by procedural justice.

Practical implications – Given SPTS’s positive impact on employee outcomes, to eliminate the information asymmetry between organisations and talent due to strategic ambiguity, organisations should increase SPTS by helping talents perceive the plethora of development opportunities in the talent pool.

Originality/value – The results demonstrate the utility of SPTS for improving employee outcomes based on strategic talent management (TM) mechanisms including talent rewards, talent development opportunities and promotions. Furthermore, the results demonstrate that distributive justice plays an important role in the build-based TM context of learning organisations.

Keywords Self-perceived talent status, Talent perception incongruence, Strategic ambiguity, Organisational justice, Talent management

Paper type Research paper

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**Introduction**

In the 2000s, the concept of talent management (TM) was criticised for its ambiguous definition (Lewis & Heckman, 2006). The subsequent discussions on TM have led to the emergence of strategic TM (STM)—the practice of placing the talent selected and developed in talent pools in key organisational positions and ensuring those talents’ continued commitment to the organisation (Collings & Mellahi, 2009). Talent status (TS) is a concept based on STM, which clarifies whether an individual has been “identified as a talent or not” in an organisation (De Boeck, Meyers, & Dries, 2018, p. 201).

In addition, talent development, such as the acquisition of competencies, is an important component of TM (Jayaraman, Talib, & Khan, 2018), which makes TM highly relevant in learning organisations (Marsick & Watkins, 2003; Rupčić, 2019). Therefore, this study analyses the mechanism of TM in learning organisations using the key concept of TS, which identifies talent.

In determining TS (De Boeck et al., 2018), organisations typically adopt an exclusive approach, in which only the high-performing and high-potential employees are formally recognised as “talent” (Gallardo-Gallardo, 2019). In STM, TS is expected to act as a mechanism that would encourage employees to demonstrate positive outcomes, such as organisational commitment, by designating them as talents. This, in turn, is also expected to improve organisational outcomes.

However, organisations are sometimes cautious about clearly communicating an individual’s TS to that individual and those around them (Björkman, Ehrnrooth, Mäkelä, Smale, & Sumelius, 2013). Dries and De Gieter (2014) describe this lack of clear communication regarding TS as a form of “strategic ambiguity” (p. 137), which organisations use owing to the following concerns: excessively high expectations of talent regarding promotion and development; “crown prince syndrome” (talent becomes arrogant and non-talent is demotivated); and the organisation’s desire to retain discretion in intuition-motivated promotion decisions. The perceived difference in TS between organisations and individuals is called the “talent perception incongruence” (Sonnenberg, Van Zijderveld, & Brinks, 2014, p. 274), giving rise to two types of TS: organisation-identified and self-perceived.

Self-perceived TS (SPTS) remains under-researched compared with organisation-identified (objective) TS (De Boeck et al., 2018), and many existing conceptualisations of TS are limited to objective TS (Meyers, De Boeck, & Dries, 2017). However, research on objective TS alone cannot fully capture the reality of STM. There are two reasons for this.

Firstly, owing to talent perception incongruence, employees who are designated as talents by the organisation may not consider themselves to be talents. Conversely, employees who are not directly recognised as talents by their organisations (because of strategic ambiguity) may presume themselves to be talents. This is because, despite the organisation’s strategic ambiguity, most employees are adept at recognising development opportunities in the talent pool (e.g. coaching, training, events) and the promotions envisaged for them by STM (Collings & Mellahi, 2009). However, research regarding how individual talents perceive TS and how they are psychologically affected by this perception (Sumelius & Smale, 2021) remains scant.

Second, as mentioned earlier, in STM, designating an employee as talent (through TS) is expected to bring about positive employee outcomes. However, this mechanism may not work due to the presence of talent perception incongruence. In fact, research regarding the effects of TS is conflicting, and positive effects are not always clear (De Boeck et al., 2018; Meyers et al., 2017). If an individual’s self-perception differs from objective TS, TS may not have the intended effect on employee outcomes (Meyers et al., 2017).
Thus, based on the discussion so far, organisations experience a gap between objective TS and SPTS due to talent perception incongruence; hence, understanding the influence of SPTS may be crucial for clarifying the actual situation of the mechanism assumed in STM. Therefore, this study aimed to develop a new scale to measure the SPTS scale and then examine the relationship between SPTS and positive employee outcomes.

The variables representing positive employee outcomes are work engagement (Schaufeli & Bakker, 2010) and organisational commitment (Allen & Meyer, 1996). We also envisage organisational justice (Colquitt, 2001; Cropanzano, Bowen, & Gilliland, 2007; Greenberg, 1990) as a mediating factor between SPTS and positive employee outcomes. Furthermore, to test the effectiveness of SPTS while focusing on STM mechanisms, we control for the impact of talents’ willingness to contribute to the organisation, based on the psychological contract, which we consider to be grounded in the social exchange theory.

Our study extends the literature in the following ways. Our research framework facilitates a comprehensive conceptualisation of SPTS by measuring whether individual employees perceive themselves as receiving sufficient opportunities for development in the talent pool and promotion in the organisation, which cannot be measured by objective TS. Therefore, SPTS can be used to precisely validate the STM mechanisms that will lead to positive employee outcomes. Owing to its characteristics, SPTS can also be seen as an individual's perception of whether they have been given the opportunity to develop their talent (talent development) (Garavan, Carbery, & Rock, 2012). Therefore, by setting learning organisations as the research target, this study empirically elucidates the mechanism by which talent development occurs in learning organisations.

**Literature review**

**Human capital in Japan**

To elucidate the research objective, we focus on how SPTS can foster human capital in organisations. The TM literature argues that a differentiated human resources architecture creates human capital that generates sustainable competitive advantage (Collings & Mellahi, 2009; Collings, Mellahi, & Cascio, 2019) for companies. TM is generally regarded as a US-centric concept but has also been studied in European and Asian contexts (Anlesinya, Dartey-Baah, & Amponsah-Tawiah, 2019). In fact, TM research in emerging countries, such as Hassan, Pandey, Varkkey, Sethi and Scullion (2022) study on domestic and foreign athletes in Nepal, has shown that human capital is fostered not because of “one size fits all” but because of the specific context of the culture and organisation.

As TM is neither a US-centric concept nor a “one size fits all” approach, we focused on Japan, where TM has been credited for fostering human capital. In Japanese culture, people are only recognised as talented after a long period of honing their skills (Tansley, 2011). Even today, the Japanese employment system is characterised by long-term employment and an emphasis on fostering company-specific skills (Ishiyama, 2022).

However, alongside these long-term employment characteristics, the TM concept of selecting and grooming high-potential employees is becoming common in Japanese companies. In Persol Research and Consulting Co. Ltd (2019) TM survey of 300 Japanese companies with ≥ 300 employees, approximately 80% and 50% of the respondents were aware of TM and knew its definition, respectively; 57% of the companies focused on systematic selection and development of high-potential employees.

Thus, Japan is characterised by the coexistence of long-term employment and TM. This means that while long-term employment continues to be emphasised, the seniority-based approach is being replaced by one focused on the selection of high-potential employees (Hirano, 2011; Ishiyama, 2022). Consequently, Japanese organisations’ talent strategies are...
characterised by a “build” strategy (Sparrow, 2019, p. 165), in which human capital is fostered internally over a long period. By contrast, in the USA, the “buy” strategy of recruiting talent externally, is more common (Anlesinya et al., 2019; Sparrow, 2019).

SPTS, employees’ perception of being given the opportunity to develop as a talent, seems especially relevant to organisations interested in honing talents over a long period. Therefore, given Japan’s build-based TM (i.e. internal development), it provides a suitable setting for examining how SPTS affects employee outcomes.

Talent management and learning organisations in Japan
The idea of learning organisations has been criticised for being romantic, and therefore elusive, lacking a concrete logic that would contribute to companies’ competitive advantages (Rupčić, 2019). However, if companies are viewed systemically, rather than elementally decomposed, the contribution of learning organisations to competitive advantage becomes graspable rather than illusory (Marsick & Watkins, 2003; Rupčić, 2019). To gain a systemic view of learning organisations, the Dimensions of the Learning Organisation Questionnaire (DLOQ) serves as a useful indicator, specifically, its seven dimensions (Marsick & Watkins, 2003; Rupčić, 2021).

Four of the seven dimensions of the DLOQ—continuous learning, team learning, embedded systems and empowerment—are considered to align with the characteristics of the Japanese employment system. This system is based on teamwork, wherein empowered employees learn over time, developing intellectual expertise that serves as firm-specific human capital (Ishiyama, 2022; Morita, 2005).

However, the Japanese employment system is deemed weak in terms of visualising the skills needed for its competitive strategy and the leadership required to develop these skills (Hirano, 2011). That is, three of the seven dimensions of the DLOQ—inquiry and dialogue, system connection and strategic and shared leadership—are considered weaknesses of Japanese companies.

Therefore, Jayaraman et al. (2018) created the Integrated Talent Management Scale and proposed a sub-scale called competence training. Competence training measures the extent to which the company fosters competence in the visualisation of company-specific skills that are essential to its competitive strategy. Competence training is considered to address the weaknesses identified in Japanese companies according to the DLOQ. Thus, if a Japanese company focuses on competence training, there is a high probability that it would be considered a learning organisation.

Measurement of talent status
To measure TS, we must first define talent. Talent refers to both high-performing and high-potential employees selected by organisations, who are often talent pool targets (Björkman et al., 2013; Ehrnrooth et al., 2018). Existing objective TS studies have focused on the talent identified by organisations, for example, by the human resources department (De Boeck et al., 2018). Talent can be recognised based on high potential (Dries, Forrier, De Vos, & Pepermans, 2014) or as part of a talent pool (Swailes & Blackburn, 2016). Thus, we must measure SPTS as if it were objectively identifiable because TS perceptions can be incongruous (Smale et al., 2015; Sonnenberg et al., 2014; Sumelius & Smale, 2021).

SPTS measurement is generally based on individuals’ perceptions of belonging to a talent pool or having high potential, as measured by a single question with three options: “yes”, “no” or “don’t know” (e.g. Smale et al., 2015). The number of “don’t know” responses is usually high; therefore, such a scale cannot measure SPTS precisely. Notably, Ishiyama (2022) analysed the relationship between SPTS and work engagement and measured SPTS
in terms of employability in the internal labour market. However, as this method uses the concept of a surrogate, it does not directly measure SPTS.

By contrast, this study conceptualises STPS from the status and strategic ambiguity perspectives. Therefore, the characteristics of STPS proposed in this study vary from those proposed in other existing studies. Status itself implies a social hierarchy based on the subjective evaluation of others in a particular group (Anderson, John, Keltner, & Kring, 2001; Anderson, Srivastava, Beer, Spataro, & Chatman, 2006). Accordingly, TS may not be formally determined by the organisation but can instead be formed through informal recognition by others (Nijs, Dries, Van Vlasselaer, & Sels, 2022). In fact, SPTS is thought to form informally as individual perceptions. As mentioned above, the presence of communication problems, such as strategic ambiguity, prevents employees from clearly knowing whether the organisation identifies them as talent or not (Dries & De Gieter, 2014). Thus, from a strategic ambiguity perspective, organisations may leave room for frequent changes in objective TS for the same talent (Dries & De Gieter, 2014). Consequently, an employee’s perception of being a talent may vary from time to time. For instance, an employee who is not continuously identified by the organisation as a talent, but who has been the target of development in the talent pool for some time, may perceive oneself as talent. People around the employee may also recognise them as talent, from the time when they were the target of a talent pool. These perceptions of others around them will contribute to the formation of an employee’s SPTS. Specifically, as employees become the recipients of an organisation’s talent-related initiatives, they gradually perceive themselves as having TS. Therefore, we define SPTS as employees’ self-conceptualisation as talents by inferring the organisation’s training and development initiatives and through informal recognition by others. Therefore, it is necessary to construct a scale that measures SPTS from the perspective of STM practices.

Effects of talent status
Objective TS significantly improves job satisfaction among both junior and senior high-potential employees, and work effort is significantly higher for senior employees with high potential than for those without (Gelens, Hofmans, Dries, & Pepermans, 2014). In Swailes and Blackburn (2016) study, compared with non-talents, talents expected the company to provide career development opportunities and improve their skills and knowledge to a higher degree.

Examining SPTS, Björkman et al. (2013) identify positive effects, including acceptance of performance demands, commitment to building competencies and reduced turnover intentions. Ehrnrooth et al. (2018) find that SPTS mediates talent obligation, and Ishiyama (2022) reveals that it positively affects work engagement.

However, Dries et al. (2014) find no significant relationship between high potential, self-perceived employability and talent’s attachment to the organisation. Dries and De Gieter (2014) show that high potential’s positive effects are unclear because of information asymmetry between organisations and talent, owing to strategic ambiguity.

Thus, strategic ambiguity leads to conflicting TS results (employee outcomes). Hence, in the next section, we formulate hypotheses to determine the TS results (employee outcomes) that can be specifically attributed to SPTS.

Hypotheses development
This study examines the potential positive effect of SPTS on employee outcomes. Therefore, based on our literature review, we consider SPTS as an independent variable; work engagement and organisational commitment, which represent employee outcomes, as the
TLO dependent variable; and distributive and procedural justice, which constitute organisational justice, as the mediating variables in a build-based TM. We also consider the psychological contract as the principal control variable to examine the mechanism through which SPTS affects positive employee outcomes. Notably, the formulated hypotheses presented below assume that the company is functioning as a learning organisation.

First, we hypothesise regarding the impact of SPTS on work engagement. Work engagement refers to a positive and fulfilling psychological state related to work, resulting in improved physical and mental health, job satisfaction, role behaviour, extra-role behaviour, leadership behaviour and decreased intention to quit (Schaufeli & Bakker, 2010).

Previous studies have used the job demands–resources model (Bakker & Demerouti, 2017; Demerouti, Bakker, Nachreiner, & Schaufeli, 2001) to examine the antecedents of work engagement. In this model, personal resources increase work engagement (Bakker & Demerouti, 2017; Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2007). Individuals with high SPTS consider themselves talent and are confident in their performance ability. Thus, they have personal resources (i.e. self-efficacy and self-esteem) that enhance work engagement. Hence, we propose:

**H1a.** SPTS is positively related to work engagement.

Organisational commitment is a psychological state indicating employees’ attachment to and endorsement of their organisation (Allen & Meyer, 1996); it is considered a desirable employee outcome in the TM mechanism (Collings & Mellahi, 2009) and is a common outcome variable in TM studies (Sparrow, 2019).

In constructing the hypotheses, the psychological contract needs to be considered. A psychological contract is an undocumented promise between an organisation and an individual. It is an individual’s expectations regarding the promises made by the organisation and its employees (Rousseau, 1989, 1995). The psychological contract has been linked to the social exchange theory. Social exchange theory concerns the behaviour of parties in an exchange relationship, in which you offer benefits if the other party offers you more inducements, and do not offer benefits if otherwise (Blau, 1964; Cropanzano & Mitchell, 2005; Homans, 1958, 1961).

King (2016) proposes the concept of the talent deal, whereby talents have high outcome expectations commensurate with their contributions. This concept explains the behaviour of talents in relation to the psychological contract and social exchange theory. Psychological contract research has verified that organisational commitment increases if contract fulfilment is recognised (Conway & Briner, 2002; Robinson & Morrison, 2000). Put differently, we already know that a talent deal based on a psychological contract increases organisational commitment. However, this study aims to examine the impact of SPTS on positive employee outcomes on the grounds of STM mechanisms, such as opportunities for talent pool development and promotion. Therefore, we examine whether SPTS increases organisational commitment even after controlling for the psychological contract.

Perceived personal competence is an antecedent of organisational commitment, (Mathieu & Zajac, 1990). Furthermore, a survey of teachers revealed that professional growth and status (self-perception of being respected as a professional by colleagues) positively impacted organisational commitment (Bogler & Somech, 2004). Considering that being a talent (SPTS) is linked to personal competence, professional growth and status, even after controlling for the psychological contract, SPTS can be effective in increasing organisational commitment:

**H1b.** SPTS is positively related to organisational commitment.
Organisational justice refers to employee perceptions of the fairness of various organisational practices. Fairness is the subjective perception of something as “just” and differs from objective or prescriptive fairness (Colquitt, 2001; Cropanzano et al., 2007; Greenberg, 1990). It comprises distributive and procedural justice (Greenberg, 1990). This concept evolved from Adams’s (1963, 1965) and Greenberg’s (1990) equity theory, which focuses on whether an individual’s perceived contribution to work (inputs), rewards and other work outcomes are equitable. Individuals feel guilty if the ratio of results to contributions is excessive and angry if it is insufficient (Adams, 1963). Equity theory focuses on distributive justice and is concerned with fairness in outcome distribution (Greenberg, 1990).

Procedural justice highlights the importance of fairness in both outcomes and the procedures by which they are determined (Lind & Tyler, 1988). Colquitt (2001) conceptualises organisational justice in four dimensions: distributive, procedural, interpersonal and informational. The interpersonal and informational justice concepts were developed after those of distributive and procedural justice in organisational justice research; hence, as interpersonal and informational justice derive from and are encompassed by procedural justice, our hypotheses formulation focused on distributive and procedural justice.

Gelens et al. (2014) show that those considered high-potential employees based on objective TS perceive significantly higher distributive justice than those not considered high-potential employees. Similarly, individuals with high SPTS tend to be highly compensated and likelier to perceive distributive justice. Therefore, we propose:

**H2a.** SPTS is positively related to distributive justice.

Procedural justice refers to the fairness of the system that determines rewards, thus implying satisfaction with the organisational process rather than as an individual (Greenberg, 1990). A fair process meets the following criteria: consistency, lack of bias, accuracy, correction, representation of all concerned and ethics (Cropanzano et al., 2007; Leventhal, 1980).

Gelens, Dries, Hofmans and Pepermans (2013) theorise that procedural justice moderates distributive justice. Gelens et al. (2014) show that the effect of distributive justice is moderated by procedural justice, and that more work effort is expended when there is a higher perception of distributive and procedural justice.

Gelens et al. (2013, 2014) position procedural justice as a moderating variable because they believe procedures within organisations are objective and not influenced by high or low TS. However, procedural justice is also an individual perception. As mentioned above, SPTS is formed informally when employees perceive that there are opportunities for development in the talent pool and promotion envisaged by STM. Employees who perceive that there are opportunities for development and promotion as talent will perceive the procedures by which the organisation provides them with such opportunities as fair, as they are the target of such special treatment. Therefore, we hypothesise the following:

**H2b.** SPTS is positively related to procedural justice.

Distributive and procedural justice lead to different employee outcomes. Distributive justice leads to individuals being rewarded for high performance (Cropanzano et al., 2007), whereas procedural justice is the perception of an organisation’s system and positively affects organisational commitment (Kovovsky, Folger, & Cropanzano, 1987).

Recognition of TS leads to perceived organisational support (Gelens, Dries, Hofmans, & Pepermans, 2015). Therefore, SPTS increases perceived organisational support, but its...
effects on distributive and procedural justice differ. In distributive justice, the perceived organisational support promoted by SPTS is a specific talent reward as a fair return for the individual’s organisational contribution. That is, the scope of the perceived organisational support is limited to specific individuals. Consequently, SPTS enhances distributive justice as the perceived organisational support with respect to particular individuals; mediated by distributive justice, SPTS enhances work engagement:

\[ H3a. \] SPTS is positively but indirectly related to work engagement, mediated by distributive justice.

Conversely, as per \( H2b \), employees who perceive themselves as being eligible for receiving special treatment, as envisaged by STM, will be more likely to perceive the procedure as fair. Furthermore, employees who perceive themselves as talents (i.e. receiving special treatment) and actually come to regard the procedure as fair will have perceived organisational support. If the employees experience such perceived organisational support as special treatment, organisational commitment will increase. Therefore, we hypothesise the following:

\[ H3b. \] SPTS is positively but indirectly related to organisational commitment, mediated by procedural justice.

Figure 1 shows the hypothesised analysis model.

**Methods**

**Sample**

As discussed so far, in a build-based TM, it is significant to elucidate the role of the psychological contract as a control variable, SPTS as an independent variable and
organisational justice as a mediating variable for positive employee outcomes. Therefore, we
used a sample from Japan, which is characterised by a build-based TM.

The psychological contract and organisational justice concepts were developed in
western contexts, partly influenced by the social exchange theory (Cropanzano & Mitchell,
2005). However, research on the psychological contract (e.g. Hattori & Morinaga, 2011) and
organisational justice (e.g. Misaki, 2018) in the context of the impact of long-term
employment in Japan has been accumulating. Hence, even assuming that the Japanese data
are validated using the psychological contract and organisational justice, studying Japan is
significant.

We conducted an online survey of full-time employees of Japanese companies with ≥ 300
employees with the help of an internet survey company. These companies were targeted
because companies with ≥ 300 employees are classified as large companies in Japan; only
full-time employees of companies above a certain size were determined to be eligible for the
TM programme. The target population was limited to the 30–50-year age group so that
there would be a large number of high-potential employees. The survey was conducted in
two instalments in January 2021 to reduce the burden on respondents and to avoid common
method bias (Podsakoff & Organ, 1986). In the first survey, 1,207 responses were received.
The second survey was conducted after approximately two weeks, and 876 (82.9%) of the
1,207 respondents of the first survey answered. Therefore, the analysis was based on the
responses of these 876 respondents. The independent (SPTS), the mediating (distributive
and procedural justice) and the control (psychological contract) variables were the items in
the first survey; the dependent variables (work engagement and organisational
commitment) were the items in the second survey. Of the participants, 691 (78.9%) were
men, and the mean age was 42.49 years (standard deviation: 5.81). A high proportion of the
industries to which participants belonged were from the manufacturing sector (53.4%),
information and communication (15.6%), finance and insurance (16.1%) and wholesale and
retail (12.4%) industries.

**Time 1 measurement instruments**

For the independent variable, SPTS was measured using eight items on a five-point scale.
The eight-item questionnaire on STM was developed in terms of training and coaching
opportunities and the perception of oneself as a high-potential or next-generation executive
candidate. The questionnaire items were developed based on Collings and Mellahi (2009)
and Ishiyama and Yamashita (2017). Sample questions are “I’ve been selected as a high-
potential candidate” and “I’m getting opportunities to attend training sessions and events
for high-potential candidates”.

The following measures were used for organisational justice as a mediating variable. For
distributive justice, we used a nine-item Japanese questionnaire with a five-point scale from
Yogou (2016), based on Adams (1963). For procedural justice, we used six items on a five-
point scale, including three items from Misaki (2018) based on Leventhal (1980) and three
regarding consistency, accuracy and representation based on Leventhal (1980).

The following measures were used for the psychological contract as a control variable.
Psychological contract scales were divided into those that asked primarily about the degree
of fulfilment regarding specific elements (e.g. job security; Robinson & Rousseau, 1994)
and those that universally measured the degree of fulfilment regarding the extent to which
the firm keeps its promises (Conway & Briner, 2002; Robinson & Morrison, 2000). We used
the latter to examine the psychological contract based on the social exchange theory. Age,
gender, job change and managerial dummies were used as other controls as these

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demographic variables affect work engagement and organisational commitment, which have been considered dependent variables in existing studies.

Moreover, to determine whether the company under survey is a learning organisation, we used six items of the Competence Training Scale, rated on a five-point scale (Jayaraman et al., 2018). Example items include: “The training activities for the identified talent are focused on required competencies” and “The training activities for the identified talent are designed to develop firm-specific skills/knowledge”.

**Time 2 measurement instruments**

For the dependent variable of work engagement, nine items rated on a seven-point scale were used from the Japanese version of the Utrecht Work Engagement Scale (Shimazu et al., 2008). For the dependent variable of organisational commitment, we used five items rated on a five-point affective commitment scale. This scale is a Japanese version of Meyer and Allen (1991) three-dimensional model, developed by Nishida (2000). Affective commitment was chosen because it demonstrates an emotional attachment to an organisation in the three-dimensional model.

**Measure validation**

We conducted an exploratory factor analysis using IBM SPSS 26.0 for all eight items pertinent to SPTS. Using the principal factor method, we determined that a one-factor structure was appropriate for measuring the changes in eigenvalues and the interpretability of the factor analysis. The cumulative contribution ratio was 75.4%. Cronbach’s $\alpha$ was 0.96, meeting the 0.70 cut-off value (Lance, Butts, & Michels, 2006). The factor analysis results are shown in Table 1.

A confirmatory factor analysis was conducted using IBM AMOS 28.0, assuming the one-factor structure indicated by the exploratory factor analysis. The fit was $\chi^2 = 123.57$, $df = 20$, $p < 0.01$, comparative fit index (CFI) = 0.99, Tucker–Lewis index (TLI) = 0.99, root mean square error of approximation (RMSEA) = 0.07 and standardised root mean square residual (SRSR) =0.01. The cut-off values of these fit indices were used to judge the fit (CFI > 0.90, TLI > 0.90, RMSEA < 0.06 and SRMR < 0.08; Hu & Bentler, 1999; Lance et al., 2006). The RMSEA was slightly high, but the other indicators were acceptable. Based on these results, we used the established eight items as the SPTS scale.

For organisational justice, we conducted a confirmatory factor analysis with a two-factor model of distributive and procedural justice. The fit was generally good ($\chi^2 = 433.17$, $df = 89$, $p < 0.01$, CFI = 0.96, TLI = 0.95, RMSEA = 0.07 and SRMR = 0.04), but two items

<table>
<thead>
<tr>
<th>SPTS item</th>
<th>Factor loading</th>
</tr>
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<tbody>
<tr>
<td>I have been selected as a high-potential candidate</td>
<td>0.91</td>
</tr>
<tr>
<td>I am a high-potential candidate for the future</td>
<td>0.90</td>
</tr>
<tr>
<td>I think I have the potential to become an executive at some point</td>
<td>0.90</td>
</tr>
<tr>
<td>As a high-potential person, I am getting advice from coaches, mentors, etc.</td>
<td>0.88</td>
</tr>
<tr>
<td>I am getting opportunities to attend training sessions</td>
<td></td>
</tr>
<tr>
<td>and events for high-potential candidates</td>
<td>0.86</td>
</tr>
<tr>
<td>As a high-potential candidate, I am more capable than the people around me</td>
<td>0.83</td>
</tr>
<tr>
<td>The company considers me a potential candidate for promotion</td>
<td>0.82</td>
</tr>
<tr>
<td>I am one of the employees who was promoted early</td>
<td>0.81</td>
</tr>
</tbody>
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Table 1. Results of the exploratory factor analysis of SPTS

Source: Created by authors
related to procedural justice had low factor loadings of 0.23 and 0.20. Therefore, when these two items were deleted and the model was analysed again, the goodness-of-fit improved to $\chi^2 = 308.17$, $df = 64$, $p < 0.01$, CFI = 0.97, TLI = 0.96, RMSEA = 0.07 and SRMR = 0.03, and the factor loadings were above 0.71 for all items. For the nine items of distributive justice and four items of procedural justice, Cronbach’s $\alpha$ values were acceptable at 0.93 and 0.84, respectively. Therefore, we used these items for analysis.

For the control variable of the psychological contract, Cronbach’s $\alpha$ was acceptable at 0.82. Therefore, it was used for analysis. The variable of the Competence Training Scale had an acceptable Cronbach’s $\alpha$ at 0.92 and was used for analysis.

For the dependent variables of work engagement and organisational commitment, Cronbach’s $\alpha$ values were acceptable at 0.97 and 0.96, respectively, and they were used as measures.

Table 2 shows the mean, standard deviation and correlation for each variable. The mean value of the SPTS instrument on a five-point scale was 2.39, which was low and considered to identify those in the high-potential category.

Results

For hypotheses testing, we conducted a multi-group analysis of covariance structure analysis using IBM AMOS 28.0, with the maximum likelihood estimation and bootstrapping (5,000 iterations) methods. The multi-group was constructed, with the group ($N = 570$) above the mean value of 2.92 in the competence training as learning organisations and the group below the mean value as non-learning organisations ($N = 306$). In the analytical model, SPTS was the independent variable; the psychological contract, distributive justice and procedural justice were the mediating variables; and work engagement and organisational commitment were the dependent variables. We also included the control variables (age, gender, job change and managerial dummies).

The multi-group analysis showed that the analytical model’s goodness-of-fit was $\chi^2 = 36.48$, $df = 32$, $p = 0.27$, CFI = 1.00, TLI = 0.99, RMSEA = 0.01 and SRMR = 0.02. The cut-off values of these fit indices were used to judge the fit (CFI > 0.90, TLI > 0.90, RMSEA < 0.06, SRMR < 0.08; Hu & Bentler, 1999; Lance et al., 2006), and the indicators were acceptable. The influence process and path coefficients (standardised coefficients) for the entire model are shown in Figure 2.

Following Preacher and Hayes (2004, 2008), the indirect effects of the mediation relationship were estimated based on bias-corrected 95% confidence intervals using covariance structure analysis in AMOS and the bootstrapping method (5,000 iterations). The results are shown in Table 3.

The results are as follows. In learning organisations, as a direct effect, SPTS was positively related to work engagement and organisational commitment. Therefore, $H1a$ and $H1b$ were supported. SPTS was also positively related to distributive justice and procedural justice. Therefore, $H2a$ and $H2b$ were supported.

SPTS was positively but indirectly related to work engagement and organisational commitment, mediated by distributive justice (supporting $H3a$). However, procedural justice had no significant effect on either work engagement or organisational commitment, and therefore, $H3b$ was not supported. Conversely, in non-learning organisations, SPTS was positively but indirectly related to work engagement and organisational commitment, mediated by procedural justice. Meanwhile, distributive justice had no significant effect on either work engagement or organisational commitment. In other words, when comparing learning and non-learning organisations, distributive justice and procedural justice, which mediate SPTS and dependent variables, played opposite roles.
## Table 2.

Mean values, standard deviation (SD) and correlation coefficients.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Age</td>
<td>42.49</td>
<td>5.81</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Gender dummy</td>
<td>0.79</td>
<td>0.41</td>
<td>0.17***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3. Job change dummy</td>
<td>0.44</td>
<td>0.50</td>
<td>0.05</td>
<td>-0.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Managerial dummy</td>
<td>0.28</td>
<td>0.45</td>
<td>0.30***</td>
<td>0.24***</td>
<td>0.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. SPTS</td>
<td>2.39</td>
<td>0.96</td>
<td>-0.03</td>
<td>0.15***</td>
<td>0.06</td>
<td>0.24***</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>6. Psychological contract</td>
<td>4.03</td>
<td>0.95</td>
<td>-0.10</td>
<td>-0.00</td>
<td>0.01</td>
<td>0.10**</td>
<td>0.32***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Distributive justice</td>
<td>3.00</td>
<td>0.69</td>
<td>-0.08*</td>
<td>0.01</td>
<td>-0.01</td>
<td>0.13***</td>
<td>0.37***</td>
<td>0.54***</td>
<td></td>
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<tr>
<td>8. Procedural justice</td>
<td>2.93</td>
<td>0.72</td>
<td>-0.06</td>
<td>0.01</td>
<td>0.02</td>
<td>0.09*</td>
<td>0.43***</td>
<td>0.55***</td>
<td>0.80***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Work engagement</td>
<td>2.86</td>
<td>1.29</td>
<td>0.02</td>
<td>0.05</td>
<td>0.01</td>
<td>0.14***</td>
<td>0.33***</td>
<td>0.36***</td>
<td>0.38***</td>
<td>0.35***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Organisational commitment</td>
<td>2.80</td>
<td>0.86</td>
<td>0.01</td>
<td>0.02</td>
<td>-0.03</td>
<td>0.12***</td>
<td>0.38***</td>
<td>0.38***</td>
<td>0.42***</td>
<td>0.46***</td>
<td>0.62***</td>
<td></td>
</tr>
<tr>
<td>11. Talent development culture</td>
<td>2.92</td>
<td>0.76</td>
<td>-0.06</td>
<td>0.03</td>
<td>0.07*</td>
<td>0.11**</td>
<td>0.35***</td>
<td>0.38***</td>
<td>0.43***</td>
<td>0.47***</td>
<td>0.30***</td>
<td>38***</td>
</tr>
</tbody>
</table>

Notes: ***p < 0.001; **p < 0.01; *p < 0.05; gender dummy: 1 = man, 0 = woman; job change dummy: 1 = change, 0 = no change; managerial dummy: 1 = managerial class, 0 = other classes

Source: Created by authors
Notes: ***p < 0.001; **p < 0.01; *p < 0.05. Notations for paths from control variables, non-significant paths, and correlations for error variables are omitted; SPTS: self-perceived talent status
Source: Created by author

**Figure 2.** Multi-group analysis of covariance structural analysis
Discussion

Theoretical implications

The theoretical implications of this study are three-fold. First, we elucidated the relationship between TS and positive employee outcomes by developing a scale to measure SPTS. We hypothesised that high SPTS would lead to positive employee outcomes in learning organisations. As this hypothesis was supported, we believe the usefulness of the SPTS indicator was demonstrated.

Note that this outcome was established after controlling for the psychological contract. In other words, it was verified that, as an effect independent of the psychological contract (in the case of talent, the talent deal), the effect of SPTS on grounds of STM mechanisms, such as rewards for the talent and opportunities for talent pool development and promotion, leads to positive employee outcomes. Therefore, the usefulness of the effect of SPTS on the grounds of the STM mechanism was demonstrated. Existing research on TS has accumulated around objective TS (De Boeck et al., 2018). However, this study has demonstrated the potential for accumulating research using SPTS in the future.

Secondly, when comparing learning and non-learning organisations, distributive justice and procedural justice, which mediate SPTS and dependent variables, played opposite roles. Distributive justice mediated the association between SPTS and dependent variables in learning organisations, whereas procedural mediated the association between SPTS and dependent variables in non-learning organisations.

The reasons for these opposing results can be considered as follows. Learning organisations implement TM initiatives that focus on fostering company-specific skills to gain a competitive advantage through talent. In this context, talent is not only expected to acquire competencies but also to perform tasks. As a result, they become more aware of their contribution within the equity theory framework. Consequently, they seek equitable outcomes commensurate with their inputs, and the role of distributive justice is likely to be important.

Conversely, non-learning organisations are perceived as not fostering talent competencies clearly, which means that the inputs imposed on talent are not clearly perceived and the role of distributive justice is likely not significant. In comparison,
procedural justice refers to the perception of fairness regarding the organisation’s procedures as a whole. In non-learning organisations, where talents are perceived as inadequately developed, the interest is likely to be more about the accuracy with which the organisation operationalises TM initiatives. Therefore, the perception of procedural justice that TM initiatives are operated comprehensively and fairly, even if the talent is not fully developed, is likely to positively influence both work engagement and organisational commitment. Thus, this study demonstrates the importance of paying attention to distributive justice to tap into the potential of talent within learning organisations.

Thirdly, we focused on the build-based TM in Japanese companies. Prior research has shown that Japanese TM is characterised by the coexistence of long-term employment and TM (Hirano, 2011; Ishiyama, 2022). A key characteristic of Japan, with its environment of a build-based TM, is the fostering of intellectual expertise as firm-specific human capital (such as employee competencies, knowledge and skills) (Morita, 2005). Nonetheless, these earlier studies only examined one aspect of Japanese companies’ characteristics. This study, however, examines the characteristics of Japanese companies by differentiating talent competency training based on the perspective of learning organisations. The results reveal that distributive justice and procedural justice play different roles in Japanese companies, depending on whether they are learning organisations or non-learning organisations. In other words, Japanese companies should not be viewed uniformly from the perspective of learning organisations, and TM initiatives should be tailored to their specific characteristics.

Practical implications
The practical implications of this study are three-fold. First, from a strategic ambiguity perspective, organisations may leave room for frequent changes in objective TS for the same talent. Due to strategic ambiguity, talent’s positive effects are unclear owing to the information asymmetry between organisations and talent (Dries & De Gieter, 2014). However, we demonstrated the effectiveness of SPTS in generating positive employee outcomes. We also found that distributive justice plays a crucial role in learning organisations. Specifically, talent is expected to improve competencies in learning organisations. In such cases, strategic ambiguity may cause doubt among talent regarding whether organisations should prioritise competence acquisition, which in turn can undermine perceptions of distributive justice. Therefore, in learning organisations, it is important to minimise strategic ambiguity and effectively communicate the need for competence development to talent.

Secondly, the study revealed differences in the perception of learning organisations in Japanese companies, which were previously believed to have a singular view on employee learning. The effectiveness of procedural justice in non-learning organisations suggests that there is potential for improving the accuracy of procedures regarding TM initiatives in these organisations. From the perspective of the learning organisation, it is necessary to promote TM initiatives tailored to the different characteristics of Japanese companies.

Thirdly, Hassan et al. (2022) showed that TM should not be thought of as one size fits all, but that human capital is fostered by the specific context of the culture and the organisation. Furthermore, in this study, the analysis was conducted in the context of build-based TM in Japanese companies, considering that organisations focused on fostering competencies of talent are learning organisations. The results suggest that SPTS and distributive justice play an important role in this context. More companies need to realise that they have the option of employing build-based TM, which is not limited to buy-based TM.
Limitations and future research directions

Despite the study’s contributions, it has some limitations. For instance, we could not measure objective TS because the responses were self-reported by participants whose companies could not be identified. In the future, companies should be identified and surveyed to obtain data on objective TS from the human resources departments. We could then measure the degree of incongruence between SPTS and objective TS, which would allow us to measure the antecedents and impacts of incongruence. Moreover, the respondents were limited to employees of Japanese companies. International comparisons would help determine whether similar results hold for build-based TM in other countries. Simultaneously, it is necessary to examine the effectiveness of buy-based TM in other countries.

Conclusion

We examined the relationship between TS and positive employee outcomes using SPTS and considered the mediating effects of organisational justice. In line with a common trend observed among the surveyed companies, as a direct effect, SPTS was positively related to work engagement and organisational commitment. It was also positively related to distributive and procedural justice.

In learning organisations, SPTS was positively but indirectly related to work engagement and organisational commitment, mediated by distributive justice. In non-learning organisations, it was positively but indirectly related to work engagement and organisational commitment, mediated by procedural justice.

Therefore, the present study demonstrates the usefulness of the effects of SPTS on the grounds of the STM mechanism. The study clarifies that distributive justice plays an important role in the build-based TM context of learning organisations.

References


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