Organizational Value Capture, Embeddedness, and Status Notification Among Star Employees

Matthew Call
University of South Carolina

Follow this and additional works at: https://scholarcommons.sc.edu/etd

Part of the Business Administration, Management, and Operations Commons

Recommended Citation

This Open Access Dissertation is brought to you by Scholar Commons. It has been accepted for inclusion in Theses and Dissertations by an authorized administrator of Scholar Commons. For more information, please contact dillarda@mailbox.sc.edu.
ORGANIZATIONAL VALUE CAPTURE, EMBEDDEDNESS, AND STATUS NOTIFICATION AMONG STAR EMPLOYEES

by

Matthew Call

Bachelor of Science
Brigham Young University, 2003

Submitted in Partial Fulfillment of the Requirements
For the Degree of Doctor of Philosophy in
Business Administration
The Darla Moore School of Business
University of South Carolina

2016

Accepted by:
Robert E. Ployhart, Major Professor
Anthony J. Nyberg, Committee Member
Sherry M. B. Thatcher, Committee Member
Ingrid Fulmer, Committee Member
Lacy Ford, Senior Vice Provost and Dean of Graduate Studies
DEDICATION

This dissertation is dedicated to the late Pamela Jean Whitten, whose uplifting faith in me outlasts her mortality.
ACKNOWLEDGEMENTS

I am forever, deeply indebted to my wife, Leslie; without whom it would have never occurred to me that I actually had the ability to withstand the rigors of doctoral education. She has always seen much more in me than I have seen in myself. Her tenacity and ambition have provided the bedrock upon which my professional pursuits rest. I would also like to thank each of my five children (Clive, Van, Dean, Zane, and Jones). Being their father has been the most profound privilege of my life. One of my most pressing hopes for them is that they will develop the same passion for learning that I have gained.

Next, I would like to thank Anthony Nyberg. Never before in my life has someone invested so much time and energy in my professional development. The countless hours spent in his office being taught the same concepts, over-and-over, are evidence of the extreme amount of patience and selflessness which he possesses (contrary to popular belief, including his own). He reengineered the way that I think; any success I have as a scholar will be a direct result of his impact.

In that same vein, I owe an enormous debt to Rob Ployhart—my advisor. The chance to work under such an extraordinary scholar and person, was truly one of the greatest honors I will ever have. Among my most cherished memories over the last five years are conversations with Rob. He always encouraged me to think big and to have confidence in my ideas. His fascination with research, intrinsic will to find answers, and ability to tell a compelling story are traits I can only hope to emulate.
Navigating graduate school is perilous at times, and Sherry Thatcher offered sage advice at some really crucial moments. She is extremely thoughtful in her research and as a person. Her advocacy on my behalf has been a tremendous gift. Similarly, Ingrid Fulmer, who showed confidence in my abilities long before they were evident, has been one of my most fun and engaging co-authors. She has always been so unselfish and so thoughtful—I count myself truly lucky to know her.

Several others have been pivotal mentors. Audrey Korsgaard, with her unmatched intellect, was extremely influential on my development. She has spent more than her fair share of hours training me. Paul Bliese, who joined the department more recently, has the perfect balance of openness and criticality, and is genuinely one of the nicest people in this field. His ability to cut through research ideas, diagnose problems, and provide a solution (both effortlessly and in a matter of seconds) is such a tremendous asset to the department. Still others—Liz, DJ, Mark, Pat, Bruce, Lynn, Scott, Sandy, and Cori—have made my time at South Carolina so rewarding and so special. I was not the most competitive PhD applicant. They took a chance on me. For this, I will always hold a special place in my heart for the University of South Carolina.

Lastly, I must thank those, without whom, I would not have made it through grad school—my fellow PhD students. Most importantly, Mike Ulrich and Donnie Hale have both taught me so much over the past five years. I was only able to survive the first two years of grad school because of them—thus, I will be forever in their debt. All the other PhD students—Campion, Ray, AK, Ormonde, Jieun, Dee, Patrick, Jon, Jason, and Xing—have not only made my time at South Carolina bearable, but they have made it fun and rewarding.
ABSTRACT

Despite increasing scholarly interest in star employees, there remains confusion as to (1) what a star is, (2) how organizations can share in the value they create, and (3) whether notifying them of their star status within organizations increases or decreases a star’s turnover intentions and value capture. In light of these knowledge gaps, I seek to make the following contributions in this dissertation. First, I review recent multidisciplinary conceptual development that has led to a unified definition of stars: *individuals that exhibit prolonged and disproportionately high performance, visibility, and social capital*. Second, while prior work suggests that, to capture more value, organizations must impose barriers that constrain the mobility of stars, I take an alternative perspective, drawing from the micro literature on organizational embeddedness to identify *voluntary* mobility constraints. Third, there is surprisingly little research on whether stars should be notified of their star status in the organizational setting despite the practical implications it might have on their turnover intentions and an organizations ability to capture value from them. Consequently, I build theory to understand the implications of star status notification on subsequent turnover intentions and value capture. Mixed support for hypotheses is achieved from a field sample of “high potential” employees in a mid-sized financial services firm. Notably, important antecedents of embeddedness and retention among stars are discovered and discussed.
# Table of Contents

DEDICATION ......................................................................................................................... iii

ACKNOWLEDGEMENTS ........................................................................................................ iv

ABSTRACT ................................................................................................................................. vi

LIST OF TABLES ......................................................................................................................... ix

LIST OF FIGURES ...................................................................................................................... x

CHAPTER 1. INTRODUCTION ........................................................................................................ 1

1.1  LITERATURE REVIEW: TOWARDS A UNIFIED CONSTRUCT ................................... 5

1.2  OTHER CONSIDERATIONS .............................................................................................. 12

CHAPTER 2. STARS AND VALUE CAPTURE ............................................................................. 14

2.1  ORGANIZATIONAL EMBEDDEDNESS AND ORGANIZATIONAL VALUE CAPTURE FROM STARS ................................................................. 16

2.2  INTERNAL VISIBILITY AND SOCIAL CAPITAL, ORGANIZATIONAL EMBEDDEDNESS, AND ORGANIZATIONAL VALUE CAPTURE ................................................................. 24

2.3  THE MEDIATING ROLE OF ORGANIZATIONAL EMBEDDEDNESS ........................... 29

CHAPTER 3. DO TELL? THE EFFECT OF STAR STATUS NOTIFICATION ON EMBEDDEDNESS, TURNOVER INTENTIONS, AND VALUE CAPTURE ........................................... 33

3.1  STAR STATUS NOTIFICATION ......................................................................................... 34

CHAPTER 4. METHOD .................................................................................................................. 42

4.1  SAMPLE ............................................................................................................................. 42

4.2  MEASURE .......................................................................................................................... 43

4.3  ANALYSIS ......................................................................................................................... 51

CHAPTER 5. RESULTS ................................................................................................................... 54
5.1 RESULTS FROM FORMAL HYPOTHESES .................................................................54

5.2 SUPPLEMENTAL ANALYSIS .................................................................................62

CHAPTER 6. DISCUSSION ..........................................................................................66

6.1 THEORETICAL IMPLICATIONS ...........................................................................67

6.2 MANAGERIAL IMPLICATIONS .........................................................................70

6.3 LIMITATIONS AND FUTURE DIRECTIONS .....................................................71

CHAPTER 7. CONCLUSION .......................................................................................74

REFERENCES ..............................................................................................................75

APPENDIX A. SURVEY INSTRUMENTS ....................................................................93
LIST OF TABLES

TABLE 4.1 CONFIRMATORY FACTOR ANALYSIS AFFIRMING A FOUR FACTOR STRUCTURE 53

TABLE 5.1 DESCRIPTIVE STATISTICS AND CORRELATIONS ........................................58

TABLE 5.2 RESULTS FROM BOOTSTRAPPED TESTS OF INDIRECT EFFECTS.................60

TABLE 5.3 HYPOTHESES AND CORRESPONDING SIGNIFICANCE..................................61

TABLE 5.4 MODEL COMPARISONS FOR FULL AND PARTIAL MEDIATION MODELS..........62
LIST OF FIGURES

FIGURE 1.1 THREE DEFINITIONAL DIMENSIONS OF STAR EMPLOYEES AND RELATED CONSTRUCTS ........................................................................................................... 13

FIGURE 2.1 DEPICTION OF THE VALUE-SHARING RELATIONSHIP BETWEEN STARS AND THEIR ORGANIZATIONS .................................................................................................................. 19

FIGURE 2.2 THEORETICAL MODEL OF THE ANTECEDENTS AND CONSEQUENCES OF A STAR’S ORGANIZATIONAL EMBEDDEDNESS .................................................................................................. 32

FIGURE 3.1 HYPOTHESIZED RELATIONSHIPS BETWEEN STATUS NOTIFICATION AND ORGANIZATIONAL VALUE CAPTURE ............................................................................................................... 41

FIGURE 4.1 SALARY REGRESSED ON TO INDIVIDUAL PERFORMANCE ................................................. 45

FIGURE 4.2 HISTOGRAM OF RESIDUALS RESULTING FROM SALARY REGRESSED ON TO INDIVIDUAL PERFORMANCE .............................................................................................................. 46

FIGURE 5.1 STRUCTURAL EQUATION MODEL RESULTS ........................................................................ 59

FIGURE 5.2 THE INTERACTION BETWEEN ORGANIZATIONAL EMBEDDEDNESS AND MENTORING TO PREDICT TURNOVER INTENTIONS ........................................................................... 65
CHAPTER 1

INTRODUCTION

Throughout history, societies have sustained a fascination with individuals who enjoy outstanding accomplishment (Rojek, 2001; Simonton, 1994). In organizations, increased output—localized among an elite few—has characterized the changing economy over the last fifty years (Rosen, 1981). As a result, some have argued that star employees—or those that exhibit disproportionately high and sustained performance, visibility, and social capital (Call, Nyberg, & Thatcher, 2015)—are critical to organizational success and even competitive advantage (Aguinis & Bradley, 2015; Aguinis & O’Boyle, 2014; Grigoriou & Rothaermel, 2014; Groysberg, 2012; Oldroyd & Morris, 2012). Despite recent scholarly interest, ambiguity accompanies research concerning (1) what a star is, (2) how organizations can share in the value they create, and (3) how to manage stars (Call, Nyberg, & Thatcher, 2015). After briefly reviewing these three knowledge gaps, I will devote chapters 1–3, respectively, to addressing each gap.

First, confusion about what a star is likely arises from the fact that knowledge on the construct is spread across disciplines that rarely cite one another. Economists, largely starting with Rosen’s (1981) seminal paper, have been particularly interested in the market dynamics that have led to the proliferation of stars in the last 75 years. They argue that changes in mass production and consumption have led to a winner-take-all environment (Frank & Cook, 2013; Rosen, 1981); thus, relatively small differences in
talent between the best and the next best lead to large differences in productivity. Alder (1985) would argue that in some cases no differences in talent is apparent between the star and non-star. Sociologists have described virtuous cycles in which high status individuals garner more credit and gain more resources for similar work product to that of low status peers. Described as the “Mathew effect” (Merton, 1968b) or a cumulative advantage (Cole & Cole, 1973), this perceptually driven process describes how the “rich get richer” and is an important process in the making of stars. Lastly, psychologists have devoted significant attention to understanding the origins of expert performance (Ericsson & Charness, 1994), arguing that deliberate practice is what leads to outstanding accomplishment. Each of these disciplines provides unique insights, but a conceptual integration is needed in order to bring clarity to the construct of stars.

Second, little is known about how organizations can capitalize on a star’s value creation. As stars gain visibility in the external job market, they also gain bargaining power to bid up their wages because of their increased job mobility (Groysberg, Nanda, & Nohria, 2004). More specifically, scant knowledge exists about how organizations can create discretionary or voluntary mobility constraints\(^1\) for these individuals such that they are less willing or able to bid up their wages. The extant strategy literature has implicitly assumed that labor markets are efficient and that the demand for labor is matched by supply (B. Campbell, Coff, & Kryscynski, 2012)—largely ignoring the fact that workers operate under a myriad of motivational forces and that they may respond idiosyncratically to external labor demand forces (Coff, 1997). If we fail to understand how managers can cultivate voluntary mobility constraints on stars, the economic view of

---

\(^1\)These are synonymous with what Campbell et al., (2012) refer to as “supply-side” mobility constraints referring to the extent that workers are (un)willing to supply their labor to the external labor market.
efficient labor markets might conclude that value simply cannot be obtained by employing stars, in the absence of institutionalize mobility constraints, like non-compete contracts (Ganco, Ziedonis, & Agarwal, 2015; Marx, Strumsky, & Fleming, 2009). To address this gap, I integrate human capital (B. Campbell et al., 2012) and organizational embeddedness\(^2\) (Mitchell, Holtom, Lee, Sablynski, & Erez, 2001) theory and relax the assumption that the labor market for stars is efficient to uncover the antecedent and consequences of voluntary mobility constraints that exist for stars.

Third, with previous stars research focusing on stars after-the-fact, we know little about managing stars and the implications that different managerial strategies might have on them (Call et al., 2015). In light of this notion, I seek to understand an important, yet under-examined theoretical question: when a star is officially branded by an organization with star status, does it have a positive or negative impact on the subsequent value creation and turnover intentions of the star\(^3\)? Some have suggested that communicating star status is crucial in the development, performance, and retention of stars because of the validation this designation provides (Fernandez-Araoz, Groysberg, & Nohria, 2011; Iles, 2006)—the 2015 AON Hewitt Top Companies for Leaders reports this as a best practice and notes that top companies communicate star status 27% more often than lower performing companies (AON Hewitt, 2015). However, an extensive literature

---

\(^2\) Following Ng and Feldman (2010), I use the term “organizational” instead of “job” embeddedness because my interest is in those factors that constrain mobility within an organization, not within a job that can exist in multiple organizations.

\(^3\) Organizations have several names for programs dealing with this type of status designation (e.g., rising star, high potential, fast-track, high flier). Interviews with talent leadership of several companies revealed that the high potential designation is given to those with perceived “C-suite” potential, but just under half of firms inform their high potentials that they are considered as such. These high potentials have a proven track record of performance and have gained the visibility and social capital to be considered for executive leadership development. Thus, they provide an adequate phenomenological example of stars in the modern workplace and are subsequently used for my empirical testing of hypotheses.
search yields very few empirical tests of whether positive individual effects result from star status communication on star’s subsequent performance and turnover intentions.

Inversely, research is replete suggesting there are perils associated with high status and status change in particular (Exline & Lobel, 1999; Fragale, Rosen, Xu, & Merideth, 2009; Jensen, Patel, & Raver, 2014; Pettit, Sivanathan, Gladstone, & Marr, 2013), which would suggest star status designation may have a negative impact on the subsequent performance of stars. Additionally, those recognized with star status often become more visible and have stronger signals of quality in the job market (Spence, 1973)—leading to higher turnover intentions. As such, we lack understanding about if, or when, star status notification will increase a star’s performance and retention. To address this tension, I build theory to hypothesize that star status notification will have a positive effect on turnover intentions and organizational value capture from stars.

In addressing these knowledge gaps, I purposefully take a multidisciplinary approach, invoking and integrating both macro and micro theories (i.e., strategic human capital, job embeddedness, turnover, and status) to inform stars research; such integration provides more nuanced answers than each literature would individually because each discipline provides a unique vantage point (Ployhart & Hale, 2014). For example, while job mobility and human capital literatures provide insights into why a star’s visibility in the labor market increases their bargaining power to capture the value they create in organizations (Groysberg et al., 2004), job embeddedness theory sheds light on what might motivate a star to stay with an organization despite more financially attractive opportunities elsewhere (Mitchell et al., 2001). Together, these perspectives inform a
more holistic view of the value creation and capture process that exists between organizations and stars.

1.1 LITERATURE REVIEW: TOWARDS A UNIFIED CONSTRUCT

Although stars are assumed to be unique and add disproportionate organizational value compared to non-stars, star performer research has suffered from ambiguity resulting in remarkably little consensus or construct clarity across research domains (Call et al., 2015). While different conceptualizations are common across settings, the resulting construct ambiguity can stifle the scientific process (Molloy & Ployhart, 2012; Suddaby, 2011). The lack of a consensus around who a star is reflects the propensity for research on stars to be conducted within isolated research disciplines—namely, economics (e.g., Rosen, 1981), sociology (e.g., Zucker & Darby, 1996), management (e.g., Groysberg et al., 2008), and applied psychology (Aguinis & O’Boyle, 2014).

As such, in an effort to clarify the stars construct in order to have a starting point to build arguments upon in the proceeding sections, I review a recently published typology on stars (i.e., Call et al., 2015). This literature review inductively highlights each dimension of stars and gives way for theory building in the chapters to follow.

1.1.1 Literature Search

Call et al. (2015) conducted an extensive literature search yielding 76 papers addressing the stars construct and classified each article based on its salient concepts. Three broad themes emerged: stars have disproportionately high (1) performance, (2) visibility, and (3) social capital. As such, in the following section, I first conceptually integrate multidisciplinary knowledge accumulated on stars, and build rationale for defining stars as: individuals who exhibit disproportionately high and sustained (1)
performance, (2) visibility, and (3) social capital. This definition includes three necessary dimensions (i.e., performance, visibility, and social capital), each of which are sustained and disproportionately high.

1.1.2 Disproportionately High

First, the term *disproportionately high* is included in the definition because contextual differences exist across situations with respect to what constitutes “high” performance, visibility, and social capital. Thus, where employees fall on the distribution of these three definitional dimensions relative to their peers is what qualifies them as stars. The omission of actual benchmarks allows for large contextual differences that occur when observing stars in different settings.

Using relative levels makes this construct vulnerable to the same issues that equity theory has been criticized for (Greenberg, 2001)—namely, that choice of referents can be somewhat ambiguous. For example, a high school basketball player can exhibit disproportionately high performance, visibility, and social capital in their league, but once they play at the college level, they fall into obscurity. The theoretical implications of stardom should be similar—although at varying degrees—in both strong (e.g., NBA basketball players) and weak (e.g., high school basketball players) situations. This is not to say that one can pick an arbitrary referent group (e.g., low performers) in order to evaluate a potential star against; there must be a clear argument for why the referent group is relevant and meaningful. By qualifying performance, visibility, and social capital as disproportionately high, research can more easily find agreement on who a star is across contexts.
1.1.3 Sustained

*Sustained* is included in the definition in order to distinguish stars from those with fleeting fame or one-time successes. Sustained performance leads observers to attribute performance to the performer rather than circumstance. On the other hand, the first time an individual produces extremely high performance (e.g., a newly hired salesperson leading her business unit in sales), some may think it is the result of other factors outside the control of the salesperson. The time it takes observers to make star status attributions will vary by context. When there is less causal ambiguity with regard to how performance is attained (e.g., when performance metrics are objective versus subjective, when work product is not dependent on a team; Darley & Goethals, 1980), star status attributions will occur at a faster pace.

Each dimension of the star definition (i.e., performance, visibility, and social capital) is sensitive to this temporal element, and over time, each dimension influences every other dimension. For example, sustained performance at disproportionately high levels will lead to attributions of success that can facilitate greater visibility and greater relevant social capital—virtuous cycles are present in causal attribution of stars status (Kelley, 1973).

1.1.4 Performance

Although not clearly defined by specific quantifiable levels, there is general agreement that to be a star, employees must engage in disproportionately high performance relative to most other workers (Aguinis & O’Boyle, 2014; Groysberg et al., 2008; Rosen, 1981). Although high performance is a necessary condition, the extent to which performance must be disproportional is unclear.
While most star definitions include performance, an extensive review of the stars literature suggest that performance alone is insufficient to define a star (Call et al., 2015). Many studies posit that a star will also have high visibility (Groysberg et al., 2008) and social capital (Oldroyd & Morris, 2012), leading to distinguishing between those with disproportionately high performance accompanied by disproportionately high visibility and social capital and those who only have high performance—which we refer to as high performers. There have been many high performer studies (Maltarich, Nyberg, & Reilly, 2010; Sturman, Trevor, Boudreau, & Gerhart, 2003) that are not considered part of stars research. Rather, stars research should be considered a subset of the high performer research as performance is a necessary but insufficient condition for stardom.

Distinguishing stars from high performers raises questions about the relationship between disproportionately high performance that leads to being designated a star and performance that does not fall into the star category. While performance often leads to recognition and opportunities, sustained visibility and relevant social capital do not necessarily result from disproportionately high performance. Thus, to be a star, a disproportionately high performer must also have sustained and disproportionately high visibility and relevant social capital.

1.1.5 Visibility

Visibility is the extent to which an employee’s job performance and reputation are observable (Merton, 1958; Merton, 1968) both in and out of the organization⁴. When job performance is difficult to observe (e.g., knowledge work), other market signals (e.g.,

---

⁴ Visibility is conceptually distinct from reputation, which is the “set of judgements a community makes about the personal qualities of one of its members” (Emler, 1990, p. 171); while visibility deals with the extent to which one’s reputation is widely known, reputation deals solely with the content of judgements made about an actor’s personal quality.
promotions; Spence, 1973) will act as a proxy for job performance. Thus, we define stars as having sustained and disproportionately high visibility relative to others.

Visibility is a consistent theme in extant stars literatures (e.g., Groysberg et al., 2008; Oldroyd & Morris, 2012), and qualitatively changes the way employees should be managed. For example, visibility leads to greater scrutiny with respect to a star’s treatment by the organization relative to other employees. Visibility also provides stars with more external job options and provides stars with leverage to garner organizational resources.

For the purposes of this dissertation, I explore the distinction between internal visibility (e.g., within the star’s organization) and external visibility (e.g., in the external labor market) because I will argue that internal and external visibility have divergent implications for organizations with regard to retention and value capture. Going forward (in chapter 2), I build theory that internal and external visibility have opposite effects on an organization’s ability to capture value from the value created by the star. For instance, external visibility will lead to higher mobility and likelihood of turnover, while internal visibility should lead to higher perceived fit (between the star and the organization) and, thus, decrease the likelihood of turnover. Because the distinction of both internal and external visibility has not been addressed in the extant stars literature, uncovering this nuance leads to a better understanding of the value capture process.

1.1.6 Social Capital

Stars have been found to capitalize on valuable relationships to garner disproportionately high amounts of social capital (P. Azoulay & Zivin, 2006; Pierre Azoulay, Graff Zivin, & Wang, 2010; Grigoriou & Rothaermel, 2014; Oettl, 2012;
Oldroyd & Morris, 2012). Social capital is the value obtained through relationships (Bourdieu, 1986; Coleman, 1988) or the ‘goodwill’ others have toward an individual by which resources, information, influence, and solidarity are accessed (P. S. Adler & Kwon, 2002; Nahapiet & Ghoshal, 1998). An individual’s social capital can affect an array of outcomes, including finding a job (Granovetter, 1973), career success (Burt, 1992; Seibert, Kraimer, & Liden, 2001), and accumulating human capital (Coleman, 1988; Nyberg, Moliterno, Hale, & Lepak, 2014). As with visibility, unique implications will occur based on whether the social capital is internal or external to the organization (i.e., when social capital is housed within the organization versus outside the organization). Thus, in chapter 2, I make this important distinction between internal and external social capital and derive predictions for organizational value capture based on whether a stars social capital is housed within or outside organizational boundaries.

I provide three reasons why disproportionately high and sustained relevant social capital is a necessary dimension of the stars definition. First, great achievements often rely on the effort and abilities of many. For instance, innovation is often collaborative (Grigoriou & Rothaermel, 2014; Wuchty, Jones, & Uzzi, 2007). While credit tends to localize around a star, their performance is affected by several actors (Jones, 2009). For example, in the movie industry, the team working on a film and the star’s network centrality were found to be more responsible for a film’s success than the star alone (Rossman, Esparza, & Bonacich, 2010). Further, Grigoriou and Rothaermel (2014) found that those who were both disproportionately productive and socially connected increased output quantity and quality.
Second, social capital often creates opportunities. When several people could fill an organizational need, internal social capital can determine who receives the opportunity. Likewise, in situations where several individuals could fill a market need, external social capital can determine who receives the opportunity. Hence, relevant social capital can provide unique opportunities to perform, apply expertise to new contexts, and be visible to a larger audience. We note that one’s social connections are more likely to govern opportunities in contexts where there is ambiguity in talent identification (Nyberg, 2010; Tervio, 2009).

Third, relevant social capital is instrumental in gaining access to resources (both internal and external) that assist in accumulating and appropriating human capital (Coleman, 1988). For instance, expert performance scholars suggest that social resource constraints hinder developing expertise (Ericsson, Krampe, & Tesch-Römer, 1993) because social capital in the form of access to mentors and tutors is helpful for development. Social capital also helps with job opportunities (Granovetter, 1973) and promotions (Seibert et al., 2001) that provide relevant experience.

As with performance and visibility, non-stars can also have high levels of relevant social capital. When individuals possess social capital without high performance, the benefits may be short lived. These are employees who make great connections and provide useful resources for their organizations (Burt, 1992), but who do not achieve star status due to a lack of individual performance—I refer to these employees as social stars (Figure 1). Social capital does not guarantee successful performance, making it a necessary but insufficient condition of stardom.
1.2 OTHER CONSIDERATIONS

As the stars construct is still in its infant stage, there are several considerations that need to be acknowledged for future work. Call and colleagues (2015) acknowledge that, “Although we present a multidimensional definition of stars, future research should explore each dimension’s effect independently as well as collectively” (p. 12). This logic is reflected in a recent typology of stars (Kehoe, Lepak, & Bentley, in press) that distinguishes between performance stars, status stars (the latter dealing more with visibility), and universal stars (individuals having high performance and status).

It is important to also note that the dimensions of stardom may have a tendency to compensate for one another. For example, if an employee has extremely high performance, they might be considered a star even without disproportionately high visibility or social capital. Although star status is socially constructed, the purpose of the preceding literature review was to try and codify what remains a socially driven process in order to avoid “false star” identification.

Now that rationale has been provided for a unified definition, going forward I draw on these outlined star characteristics to gain a deeper understanding of an organization’s ability to capture value from star employees. In particular, in Chapter 2, I explore the impact that internal visibility and social capital might have on a star’s mobility and organizational value capture. Then in Chapter 3, I explore the implications of star status notification to address the question: should organizations tell stars they are stars?
Figure 1.1 Three definitional dimensions of star employees and related constructs (adapted from Call et al., 2015). *

Note. Definitions of related constructs: High performer: “the top 10% of peers in one's specific area of expertise” (Gallardo-Gallardo, Dries, & González-Cruz, 2013, p. 295). Experts: those who demonstrate “consistently superior performance on a specified set of representative tasks for a domain” (Ericsson & Lehmann, 1996, p 277). One hit wonders are defined as those with short-term performance that is not maintained. Celebrity is defined as “an overtly public individual” (Marshall, 1997). I define Social stars as those with disproportionate social capital.

*Characteristics of the definitional dimensions codified in my conceptual integration.
CHAPTER 2

STARS AND VALUE CAPTURE

The socially complex and path dependent nature of the emergence of human capital resources (HCR; Ployhart & Moliterno, 2011) within organizations has lead scholars to posit HCR as a mechanism through which competitive advantage can be obtained (Barney & Wright, 1998). Recently, stars have been categorized as a type of HCR (Ployhart, Nyberg, Reilly, & Maltarich, 2014) capable of influencing organizational performance (Grigoriou & Rothaermel, 2014; R. Kehoe & Tzabbar, 2014). However, stars enjoy high visibility and social capital in the external labor market, which gives them extreme job mobility that limits an organization’s bargaining power in value appropriation (Coff, 1997). In many cases, strong market signals of a star’s performance overinflate their value (Groysberg et al., 2008, 2004). As such, stars often have the bargaining power to capture most, if not all of the value they create in organizations. A star’s immense bargaining power thus limits an organization’s ability to utilize them for competitive advantage (Coff, 1999). These ideas rely on the implicit assumption that where there is a demand for stars in the labor market, stars will necessarily be willing to supply their labor to meet this demand (B. Campbell et al., 2012). In this chapter, I relax this assumption to argue that voluntary mobility constraints may exist for stars.

Following Coff’s (1997, 2011) logic that the “nature of the resources that drive rent generation also influence the patterns of how the rent is distributed” (Coff, 2011:

---

5 Rent is generally defined in terms of the profit produced by a resource—often in perpetuity (Coff, 1999).
I argue that HCRs embedded in stars can be isolated from competitors through the star’s motivation to perform and remain within the organization which results from the idiosyncratic nature of the employee – organization relationship between the star and his/her organization. To this end, I describe motivational factors that might influence stars to be embedded in their organizations and forego opportunities outside the organization, essentially allowing organizations to capture value that would have otherwise been captured by the star.

Specifically, previous literature has posited the impact of a stars visibility and social capital primarily as it exists outside organizational boundaries to make them more mobile in the job market. Alternatively, I suggest that when visibility and social capital are internal—or exist inside organizational boundaries—they will have the opposite effect and decrease a star’s mobility, thus, working as a voluntary mobility constraint leading to organizational value capture.

Going forward, I theorize that the unique nature of a star’s motivation to accumulate visibility and social capital (Call, et al., 2015) provides an opportunity for organizational value capture from stars. More specifically, organizations can capitalize on a star’s motivation to cultivate internal visibility and social capital to limit mobility. By unpacking the differential value of both a star’s internal and external visibility and social capital, we outline how organizations can simultaneously retain stars while benefiting from their presence. Prior to this line of reasoning, I integrate turnover theory to further uncover voluntary star mobility constraints by extending the construct of organizational embeddedness (Mitchell et al., 2001) to star performers. To the extent stars are embedded in their organizational environments, organizations will have the ability to capture relatively more economic value from the star (See Figure 3 for the theoretical model).
2.1 ORGANIZATIONAL EMBEDDEDNESS AND ORGANIZATIONAL VALUE CAPTURE FROM STARS

Previous turnover theory is often grounded in March and Simon’s (1958) reasoning that employees voluntarily quit when they lack satisfaction with their current job, perceive ease of movement in the external labor market, or some combination of these two factors. Thus far, stars research has taken a similar approach. Scholars have assumed that, to the extent that stars are visible, their job opportunities increase (Groysberg et al., 2008). These job opportunities decrease an organization’s ability to capture value from stars because they are assumed to have leverage to bid up their wages. Current research concludes that to the extent that an environment lacks mobility barriers (e.g., litigation of non-compete contracts), efficient labor markets will bid up the price of stars (Ganco et al., 2015; Marx et al., 2009).

Strategic factor markets—defined as “a market where the resources necessary to implement a strategy are obtained” (Barney, 1986; p. 1231)—are “perfect” when the cost to implement a resource is equal to the value obtained from resource deployment. Thus, perfect strategic factor markets are unable to yield above normal economic returns, thus, simply obtaining resources is not enough—they must produce more value than they cost. However, imperfections in strategic factor markets are common (Barney, 1986) and resources can often be isolated from competitors (Reed & DeFillippi, 1990; Rumelt, 1984). Going forward, I seek to uncover imperfections in the strategic factor market for stars—without which, above normal economic returns from stars would be impossible.

In an effort to uncover psychological mechanisms that might serve as voluntary mobility constraints that lead to imperfection in the factor market for employees (and stars) and give an organization the opportunity to capture value, it is important that I
clarify some definitions in order to substantiate some common language around what is meant by (1) value, (2) value creation, and (3) organizational value capture.

2.1.1 Value, Value Creation, and Organizational Value Capture

I broadly define value as the worth, utility, or usefulness of a given item, having both subjective and objective components when assessed by a specific actor (Lepak, Smith, Taylor, & Smith, 2007; Merriam-Webster Dictionary, 2016; Peteraf & Barney, 2003). In this context, I am interested in the value of stars where the consumer (the one making the value assessment) is the employing organization. I follow the classical economist view of value taken by several management theorists to demarcate value into two categories: (1) Use value and (2) exchange value (Brymer, Molloy, & Gilbert, 2014; B. Campbell et al., 2012; Lepak et al., 2007). Use value (the subjective component of value) is the perceived worth of a resource (e.g., employee, product etc.) stemming from the idiosyncratic needs of the organization (Bowman & Ambrosini, 2000). Exchange value (the objective component of value) is the agreed upon price of the resource in its respective market for acquisition (Bowman & Ambrosini, 2001). Although the exchange value is assessed at a single point in time (i.e., the time of the exchange) it may change over time between exchanges. When the use value exceeds the exchange value, there exist what economists call a “consumer surplus” (Whitehead, 1996).

Value creation is defined as behaviors or processes by which an item of worth, utility, or usefulness is generated. Thus, value creation is distinct from value in that it is the process by which value is produced and can result in use value, exchange value, or both. In the organizational context, value is often derived from employees as a function of their job performance. At a conceptual level, a star’s performance is synonymous with their value creation because job performance, as measured in many performance rating
scales, is often a deliberate statement of the behaviors and outcomes that align with an organizations strategy (J. P. Campbell, McCloy, Oppler, & Sager, 1993).

Finally, because I am interested in value capture from the organizations perspective, I define organizational value capture as the extent to which an organization is able to appropriate value co-created within its boundaries. While value creation describes the genesis of value, value capture describes what happens after the value is created. Multiple interested stakeholders (e.g., organization, employee) will vie for the value produced in organizations, resulting in a process of negotiating value capture. Value capture is particularly salient when value is co-created as in the organizational setting (Ramirez, 1999). This is because when value is co-created, there is often ambiguity with regard to the source of the value created, which makes value capture an ongoing process of negotiating (Blyler & Coff, 2003). For example, when an organization invests in a new sales training program that results in increased sales, even though the increase in value was arguably generated by the organizations investment in training, the employee might still ask for a raise upon increasing their sales. Once value is created, it becomes “up-for-grabs” (See Figure 2). I note that value capture is a zero-sum endeavor, while value creation is not. Thus, certain factors may shift value sharing by increasing the pie more in favor of one stakeholder, other factors may simply shift value creation one way without increasing the pie. Going forward, I build theory and hypotheses about the relative likelihood of organizational value capture, while I refrain from making predictions about value creation (increasing the pie); predictions such as this lie outside the scope of this dissertation.

While I draw on the economics and strategic management literature for the above definitions, going forward, I will explicate the psychological factors that will influence
value creation and capture among stars. This novel approach departs from previous stars literature that has focused on market driven factors that influence organizational value capture.

![Diagram](image.png)

**Figure 2.1 Depiction of the Value-Sharing Relationship Between Stars and Their Organizations**

2.1.2 Antecedents and Consequences of Organizational Embeddedness among Stars

In an effort understand the totality of forces that encourage staying in organizations, I extend the job embeddedness construct (e.g., Jiang, Liu, McKay, Lee, & Mitchell, 2012; Lee, Mitchell, Sablynski, Burton, & Holtom, 2004; Mitchell et al., 2001) which describes the factors beyond labor market conditions can make employees embedded in their organizations. Ultimately arguing that to the extent that stars are embedded in their organizations, organizational value capture will become more likely. Mitchell & Lee and colleagues argue that staying is driven by job or organizational
**embeddedness**, defined as the myriad of integrated forces that create a ‘web’ within an organization in which an individual might become stuck (see Jiang et al., 2012 for a meta analysis). Specifically, the three dimensions describing an employee’s embeddedness are the (1) links, (2) fit, and (3) sacrifice that embed an employee to an organization (Mitchell et al., 2001). As such, I argue that these three dimensions act as voluntary mobility constraints—or mobility constraining factors that can be cultivated without monetary incentive. In this way, organizational embeddedness carries strategic value because the discretionary mobility constraints resulting from a star’s embeddedness create an imperfection in the strategic factor market for stars (Barney, 1986; B. Campbell et al., 2012).

The links, fit, and sacrifice that drive organizational embeddedness are comprised of both on and off-the-job elements: First, on and off-the-job links consist of both formal and informal relationships and connections (e.g., friends, group memberships, and psychological attachments) that an individual has within their organization and community. At work, the amount of social integration and solidarity or the number of affective bonds cultivated lead to more embeddedness. In the community, membership in community groups, having children in school, or owning a home constrain mobility and increase embeddedness.

Second, the perceived fit—or the comfort and compatibility one experiences in their organization and surrounding environment (Kristof, 1996)—creates voluntary mobility constraints. When individuals feel that their skills are being utilized and valued

---

6 I note that Mitchell et. al., provided acceptable discriminant validity, arguing organizational embeddedness to be theoretically and empirically distinct from constructs like job satisfaction and organizational commitment. Some researchers have used the word “organizational” instead of “job” embeddedness (Ng & Feldman, 2007, 2010) because jobs can exist in more than one organization—thus, going forward, I use the term organizational embeddedness because it is more germane to my discussion here on organizational value capture.
and when the culture, values, goals, and norms inherent in an organization and community are congruent with the stars values, turnover will be less likely (Edwards & Cable, 2009). This is because fit is hard to assess a priori and is partially dependent on the unique history that an individual shares with their organizational environment (Edwards, 2008). Thus, as a star evaluates other employment alternatives, there is uncertainty as to whether he will find a similar fit in a new organization and a new investment of time will be required in order to replicate a history with the new organization.

Lastly, both of these factors increase the sacrifice that a departure from an organization would represent. As such, the material or psychological sacrifice that would occur in the event of attrition signifies the final dimension of organizational embeddedness (Mitchell et al., 2001). Material sacrifices include non-portable stock options, accruable benefits, job stability, and seniority benefits (Shaw, Delery, Jenkins, & Gupta, 1998). A stars spouse may have a job in the area which would be hard to sacrifice both financially and psychologically. Individuals that own a home may not be financially willing or able to sell their home, making the sacrifice of leaving the community where they live greater. These material sacrifices will act as voluntary mobility constraints.

However, it has been stated as a premise that stars often are able to inflate their worth in the external labor market (Groysberg et al., 2008) making the material sacrifice less important—this adds salience to the psychological sacrifice of leaving. Stars might cultivate a particular type of psychological investment in organizations as a result of their strategic role and accrued influence within the organization (Galvin, Lange, and Ashforth, in press). A stars investment in shaping an organization could cultivate the sense that they have built something which will be attached to their legacy (Zacher,
—this would represent a large psychological sacrifice, should they leave.

When organizations cultivate a star’s psychological attachment to the organization, they will have increased leverage to isolate them from the competition and, thus, capture value from them. A star might ask the question, “Can I replicate or improve my situation in another organization?” Both the social integration (links) and congruence in values and goals (fit) that an individual experiences within an organization are idiosyncratic to that organization. Thus, the abundance and unique mix of links and fit experienced will cause a star a large psychological sacrifice if he or she were to leave.

Although embeddedness among stars is likely to have different antecedents than embeddedness among non-stars (discussed in the following sections), I argue that stars can become embedded in their organizations, such that they will be less likely to leave even in the face of increased job alternatives—particularly because there is a psychological sacrifice associated with leaving. Because their turnover intentions are lower, they are less likely to seriously consider alternative job opportunities. These job opportunities are what give stars the leverage to bid their wage up and capture the value they create (Coff, 1999; March & Simon, 1958). When stars are less likely to entertain job opportunities because they are embedded in their current organizations, they are less likely to bid up their wage to market value (Coff, 1997)—creating an imperfection in the strategic factor market for stars (Barney, 1986). As such, I argue that when stars are more embedded in their organizations, the organization will be able to capture more value form the star. Stated formally:

Hypothesis 1: A star’s organizational embeddedness is positively related to organizational value capture.
Micro research that focuses on employee retention often presupposes that retention is the ultimate goal (Holtom, Mitchell, Lee, & Eberly, 2008) and implicitly neglects the idea that there is a net value that is appropriated from employees (Coff, 1999) consisting of the employees value creation minus the cost of continuing their employment (Abelson & Baysinger, 1984). The job mobility literature, drawing on assumptions made by human capital theorists (e.g., Becker, 1964), largely assumes that labor markets will drive up the prices of workers to the extent that there is the ability to transfer human capital across settings (i.e., when human capital is not organization specific). In line with more recent theory which questions these assumptions (Campbell, Coff, & Kryscynski, 2012), I argue that turnover intentions are a key driver of organizational value capture from stars. When stars are less willing to supply their labor to the external labor market because there is a large sacrifice associated with their departure, it will create an inefficiency in the labor market for stars and, thus impact the value capture negotiation between stars and their employing organizations.

In the value creation and appropriation negotiation the organization acts in a profit maximizing, rationale manner—continually seeking to capitalize on value created by employees. On the other hand, employees may not always act in the same maximizing manner (Simon, 1982). The decision to engage in the value appropriation negotiation (e.g., ask for a raise) is not a part of employees active processing, except at times when it is made salient (e.g., annual reviews, end of year raises). In order to gain leverage in the value capture negotiation, employees must provide evidence that they are worth more on the external labor market. This is why an empirical relationship has been demonstrated between external job mobility and salary earned (Lam, Ng, & Feldman, 2012)—those who can provide evidence of alternative offers earn higher salaries.
The unfolding model of turnover describes how individuals are more likely to turnover if they experience a “shock” (Lee, Mitchell, Wise, & Fireman, 1996; Lee & Mitchell, 1994), which puts them in the mindset or mental ‘script’ where a change in employment is more feasible. Following this logic, those that have entered into a mental process where alternative employment is desired (i.e., high turnover intentions) are more likely to be aware of job alternatives. Because they are actively looking into alternative job opportunities, they also have more up-to-date and accurate information on what their employable worth is on the job market. This external wage information gives the star the ability to ask his/her organization to increase their wage—thus decreasing organizational value capture. Thus, both the leverage and motivation to engage in the value appropriation negotiation is more likely when turnover intentions are high.

While previous job embedded literature has established a negative relationship with turnover intentions (Crossley, Bennett, Jex, & Burnfield, 2007), I uniquely extend this previous work as the mediating path between organizational embeddedness and organizational value capture. This leads to my next hypothesis:

Hypothesis 2: A star’s organizational embeddedness has a positive indirect effect on organizational value capture through decreasing turnover intentions.

2.2 INTERNAL VISIBILITY AND SOCIAL CAPITAL, ORGANIZATIONAL EMBEDDEDNESS, AND ORGANIZATIONAL VALUE CAPTURE

As outlined in chapter 1, star performers differ from high performers because, in addition to disproportionally high performance, they also exhibit disproportionately high visibility and social capital. Thus, stars—who amass disproportionately high performance accompanied by visibility and social capital—may be motivated by the opportunity to be visible and make strategic social connections (Call et al., 2015). Understanding the
implications of a star’s visibility and social capital—both internal and external to the organization—can aid organizations in providing incentives that simultaneously benefit the organization and retain the star (i.e., act as isolating mechanisms) because organizations possess the ability to facilitate and manage a star’s visibility and social capital. Ultimately, I argue that internal visibility and social capital will increase organizational value capture by way of increasing organizational embeddedness.

Although previous research has focused on the risks of high employee visibility (Groysberg et al., 2008) and social capital (Blyler & Coff, 2003) because they increase employee mobility and value capture, I make the delineation that visibility and social capital can be internal or external to the organization (Payne, Moore, Griffis, & Autry, 2010) and that this distinction changes whether value can be captured from the stars performance. This is because only external visibility provides information to competitors about the stars strategic worth, reducing the likelihood of exploiting an “imperfection” in the strategic factor market for stars (Barney, 1986). While the stars mobility is increased by external visibility and social capital, the opposite is true when a star’s visibility and social capital are internal to the organization—or housed within organizational boundaries because it can increase the stars organizational embeddedness. In the following, I will discuss why internal and external visibility and social capital will have disparate effects.

*External Visibility.* External visibility refers to the extent the star’s performance and reputation are observable outside organizational boundaries. Stars become more mobile to the extent that they enjoy external visibility (Allen & Griffeth, 2001; March & Simon, 1958). This is primarily because their reputation for high performance is simply known by more employers outside their current organization and this results in more
external job opportunities. When job opportunities are more abundant, it gives the star more bidding power to negotiate a higher wage and decreases net organizational value capture. Since previous literature has focused on external visibility\(^7\), I now shift to novel insights that can be gleaned from viewing this construct as it is isolated within the organization.

**Internal Visibility.** Internal visibility, or the extent to which a star’s reputation is known *within* his/her organization, will increase organizational value capture for at least two reasons. First, when organizations increase a star’s internal visibility by highlighting the star’s performance at a regional meeting or in a company bulletin, placing them as a mentor or role model for several employees, or simply by placing them in positions with high organizational visibility, the star will experience an increase in perceived fit with the organization because the organization is overtly endorsing the star’s performance, goals, and values (Kristof, 1996), which leads to organizational embeddedness. Since the validation resulting from internal visibility increases their embeddedness in and attachment to the organization, they are less likely to pursue alternative job opportunities. Because organizations can provide the opportunity for internal visibility at little to no cost and it works to increase a star’s attachment, net organizational value capture will increase as a result of a star’s internal visibility.

Second, internal visibility might not only lead to organizational value capture through retention, but also by having a positive influence on organizational norms, because broadcasting star performance can inspire colleagues. By sharing the stars pioneering best practices, others will seek to replicate his/her performance. In this way,  

---

\(^7\) Although I measured external visibility and social capital in data collection, because they already appear in the literature as predictors of value capture, I refrain from hypothesizing about them in this dissertation in the pursuit of a more parsimonious theoretical and analytical model.
internal visibility can have a positive “peer spillover” effect. Because the organization can benefit from a star’s internal visibility by influencing increased performance among peers, it should have a net increase on organizational value capture. To the extent that an organization can capitalize on a star’s motivations to become visible by increasing their visibility within the organization, the star will be less likely to turnover and thus wield less bargaining power. This leads to the following hypotheses:

_Hypothesis 3: A star's internal visibility is positively related to organizational value capture._

*External social capital.* As previously noted, social capital, in addition to visibility, is an important dimension of a star. Research suggests that social capital is related to obtaining a job (Granovetter, 1974). Thus, it makes sense that external social capital (i.e., social capital outside organizational boundaries) will increase a star’s mobility and decrease the organization’s value capturing abilities because when a star has contacts outside the organization, it will be easier for them to secure alternative job opportunities outside the organization. When a star is able to leverage an external job opportunity, it decreases the organizations ability to capture economic value from the star.

*Internal social capital.* Internal social capital (i.e., social capital housed within the organization) can increase organizational value capture from a star for two reasons. First, a star’s actual performance value can be enhanced through internal social capital. A recent theme in the stars literature would suggest that stars have abundant social capital (Grigoriou & Rothaermel, 2014; Oettl, 2012; Oldroyd & Morris, 2012). As productivity is increasingly a function of recombining specialized human capital from multiple actors (Jones, 2009), a star’s performance levels often coincide with their ability to socially
connect multiple strategic actors (Oettl, 2012). Thus, the most productive stars enhance their performance through capitalizing on social capital inside their organizations (Grigoriou & Rothaermel, 2014). If stars are motivated by the opportunity to make valuable social connections, then organizations can capitalize on this motivation through offering increases in internal social capital (e.g., rotating them through different business units or arranging the stars introduction to important contacts within the organization). The socially complex nature of value creation associated with a stars internal social capital (Barney, 1991) make it harder for the star to replicate such value creation outside the organization. Thus, this value creation will likely be captured by the organization.

Second, a star’s internal social capital increases their solidarity with coworkers and peers (P. S. Adler & Kwon, 2002) as well as the affective bonds (Nahapiet & Ghoshal, 1998) that accompany social capital. Individuals find utility in work relationships and often self-report the people they work with as being one of the major drivers of retention (Lee & Mitchell, 1994). Because internal social capital is socially complex and historically path dependent, the star might perceive the idiosyncratic nature of their internal social capital as something that would be hard to imitate in another organization (i.e., star perceives it as organization specific social capital). This would increase uncertainty of a star’s perceived fit with job opportunities outside the organization and decrease the likelihood of an exit. This line of reasoning leads to my next hypotheses:

Hypothesis 4: A star’s internal social capital is positively related to organizational value capture.

---

8 The retention benefits of increasing a star’s internal social capital should be weighed against the deleterious effects that extreme social capital can have on the star’s performance (Oldroyd & Morris, 2012) and the increased negative effects that a well internally-connected star’s turnover may have on firm performance (Shaw, Duffy, Johnson, & Lockhart, 2005).
2.3 THE MEDIATING ROLE OF ORGANIZATIONAL EMBEDDEDNESS

Expanding on the notion that stars who are more socially embedded in the organization are associated with less flight risk (O’Reilly, Caldwell, & Barnett, 1989), I now integrate earlier arguments about organizational embeddedness by arguing it as the mechanism through which internal visibility and social capital increase an organization’s ability to capture value from a star.

By aiding a star in gaining internal visibility, an organization is affirming and validating that the star’s performance is not only valued, but exemplary. It sends the signal that the star is the very type of employee that exemplifies what the organization stands for. In this sense, the star is a prototype for the values and goals espoused by the organization (Hogg & Terry, 2000). Signaling to the star that they are a prototype of the espoused organizational values will increase the attachment that the star has to the organization. This suggests that there is a high level of congruence between the espoused values and goals of the organization and the star, which increases the star’s perceived fit with the organization (Edwards, 2008). As noted earlier, the fit experienced by an individual is one of the formative elements of organizational embeddedness (Mitchell et al., 2001). Thus, since I argue that internal visibility leads to organizational value capture from a star by way of increased fit, I predict that a star’s organizational embeddedness will increase with their internal visibility and will act as the mediating mechanism through which internal visibility leads to organizational value capture—stated in the following hypotheses:

*Hypothesis 5a: A star's internal visibility is positively related to their organizational embeddedness.*
Hypothesis 5b: A star’s internal visibility has a positive indirect effect on organizational value capture through organizational embeddedness.

I have previously argued that when stars have more internal social capital within an organization, they will capture less of the value that they create for the organization. This is because when they have more internal social capital, they essentially have more ‘links’ to the organization (Mitchell et al., 2001). When stars feel a larger sense of connectedness to individuals inside their organization, it increases their attachment to the organization because the value obtained through those relationships (e.g., solidarity, belongingness, resources etc.,) is made available through the organization—severing ties with the organization would result in, to a large extent, the severing of those relationships and all that they offer the star. Since the links that an individual has to an organization are also one of the elements that determines the level of organizational embeddedness the star experiences in an organization, I posit that the impact that internal social capital can have on organizational value capture from a star is mediated through the stars organizational embeddedness. In other words:

Hypothesis 6a: A star's internal social capital is positively related to their organizational embeddedness.

Hypothesis 6b: A star’s internal social capital has a positive indirect effect on organizational value capture through organizational embeddedness.

In conclusion, star employees present a significant management quandary: while they are observed to create tremendous value in organizations, their disproportionately high external visibility and social capital gives them extreme job mobility. A star’s job mobility increases their bargaining power, limiting an organization’s ability to capture value from them. As such, this chapter takes a multi-disciplinary approach to build theory
on the factors that act as voluntary mobility constraints, thus, retaining stars through non-monetary means and increasing an organization’s value capturing ability. By delineating how organizations can increase a stars organizational embeddedness through increases in internal visibility and social capital, I outline ways organizations can “align the stars” in order to isolate them from the alluring financial opportunities outside the organization that often tempt them away. Concurrently, I also make a case that there is strategic value inherent in employee organizational embeddedness. Previously, embeddedness has been conceptualized only as it relates to retention and individual performance; I present here a novel application of this theory as it relates to an organizations ability to capture value from individuals in an effort to uncover some of the psychological foundations of competitive advantage. This being an effort to answer calls for research bridging the micro – macro divide (Ployhart & Hale, 2014; Ployhart, 2012).
Figure 2.2 Theoretical Model of the Antecedents and Consequences of a Star’s Organizational Embeddedness
CHAPTER 3

DO TELL? THE EFFECT OF STAR STATUS NOTIFICATION ON EMBEDDEDNESS, TURNOVER INTENTIONS, AND VALUE CAPTURE

As the “war for talent” has intensified over the last twenty years (Michaels, Handfield-Jones, & Axelrod, 2001), organizations have invested considerable resources to identify, develop, and retain those individuals deemed to have the most valuable human capital (see Aguinis & O’Boyle, 2014; Cappelli & Keller, 2014 for recent reviews). Although practitioner interest in talent management has reached a crescendo, scholarship on talent management has yet to engage this phenomenon in some important ways (Peter Cappelli & Keller, 2014), which has led to a lack of in knowledge around some fundamental issues.

One of the pervasive organizational responses to the growing need for outstanding talent is that organizations have formal programs to identify these individuals in order to groom them for leadership or other strategically positioned duties (Dries & Pepermans, 2008; Dries, Van Acker, & Verbruggen, 2012; Fernandez-Araoz et al., 2011). These initiatives brand these individuals with several different names (e.g., high potentials, fast tracker, rising stars, or high flier), but the intent behind these strategic programs share a similar thread: to further capitalize on the best talent housed within the organization by grooming them for executive leadership positions.

The focus of this chapter is to understand the impact of an important decision regarding stars: should management notify a star that they are considered as such? More specifically, we lack knowledge of whether star status notification has a positive or
negative impact on the subsequent value sharing and turnover intentions of the star. Thus, to advance the stars and talent development literatures, I develop theory and hypotheses that will shed light on the consequences of star status notification.

3.1 STAR STATUS NOTIFICATION

Status is defined as the amount of admiration and respect that an individual has in the eyes of relevant others (Fiske & Berdahl, 2007). When dealing with stars in the organizational setting, star status notification is defined as communicating to the star that they are viewed as having stars status by management within the focal organization. Thus, notification of star status would initiate stars to have higher status in the organization, and to encounter a status change (upwards); note that high status and status change are theoretically distinct (Pettit et al., 2013), but that star status notification will be associated with both high status and upward status change. Some have suggested that by communicating star status, an organization provides the star with validation that aides their development and retention (Fernandez-Araoz et al., 2011; Iles, 2006). Star status notification acts as a strong signal that the organization places a very high value on the star; this valuation and status elevation can be received by the star as a form of compensation (Duffy, Shaw, & Schaubroeck, 2008). Nevertheless, we lack empirical evidence supporting a desirable impact resulting from status notification in the context of stars.

Inversely, there is extensive research that suggests there are perils associated with high status and status change in particular (Exline & Lobel, 1999; Fragale et al., 2009; Jensen et al., 2014; Pettit et al., 2013), which would suggest star status designation may have a negative impact on stars. Additionally, those recognized as stars may become more visible and have stronger signals of quality in the job market (Spence, 1973)——
which could lead to higher turnover intentions (Allen & Griffeth, 2001). With both of these views at odds, we lack understanding about if or when star status communication will increase a star’s performance and retention.

In this dissertation, I will argue that the net effect of star status notification will be positive because these forces will be stronger in our setting. Thus, going forward, I discuss rationale for the positive implications that the high status associated with star status notification might have on stars performance value creation and organizational value capture and ultimately hypothesize that the net effect of status notification will positively benefit their organizations. Because star status notification creates a status change resulting in higher absolute status in organizations, I utilize status literature that talks about both high status and status change when providing rationale for my hypotheses.

Research outlines the positive effects that high status can have for an individual including access to (1) more resources (Merton, 1968a), (2) important social ties (Oldroyd & Morris, 2012), and (3) opportunities (Sørensen, 1996). In the following, I argue that when individuals are notified that they are designated as having star status (i.e., an increase in their social position), they will have an increase in the amount of value they create and will lead to more organizational value capture.

Status notification should lead to increased value creation and capture for at least two reasons: First, there will be an increase in effort towards value creation from the star because this notification essentially places them in a larger “pond” (Frank, 1985) where the rewards for their outstanding performance are vastly higher. They are placed in an

---

9 As noted in chapter 2, value creation (from which organizational value capture is derived) is synonymous with a star’s performance, the terms are used interchangeably throughout this section.
elite group that is viewed by the organization as having executive potential. Thus, Tournament theory (Lazear & Rosen, 1981) would predict that their effort and performance would increase; and because this new tournament that they have entered into is unique to the organization they are in, it will lead to increased organizational value capture. This is because the executive promotion tournament represented in star status notification is unique to the stars current organization (and not easily replicated by competitors), thus, the star is likely to increase efforts to create value without leverage to capture said value—leaving more for the organization to appropriate.

Second, counter to the idea that envy is the result of high status (Kim & Glomb, 2014), theory also suggest that virtuous cycles are set into action by positive shifts in status. The notion of “cumulative advantage” (Cole & Cole, 1973; Merton, 1968b) suggests that higher status individuals are not only given access to more resources, but they are also given higher regard for similar work product when compared to low status individuals. These reinforcing processes make it more likely that the increase in status would lead the star to create more value. Again, this virtuous cycle is idiosyncratic to the organization and created within firm boundaries; thus, the increase in value creation will not be as vulnerable to capture by the star.

Because star status notification is likely to increase value creation from the star—through tournament and cumulative advantage means (Bothner, Podolny, & Smith, 2011)—without relatively increasing the stars ability to capture the increased value creation, I hypothesize the following:

Hypothesis 7: Star status notification will be positively associated with organizational value capture from stars.
Historically, research seeking to understand why an individual might voluntarily turnover has often focused on factors affecting an individual’s ease of movement in the labor market and job alternatives (e.g., March & Simon, 1958; Mobley et al., 1979). A star designation will increase an individual’s visibility and can work as a strong signal to the job market (Spence, 1973), which will increase the perceived ease of movement. Allen and Griffeth (2001) found that “to the extent that individuals differ in their perceptions of how visible their performance is, these perceptions should influence the extent to which individuals of varying performance levels perceive that they have alternative employment opportunities” (p. 1017). Because being informed of star status will increase how visible an individual perceives their performance to be, it will increase their perceived alternative employment opportunities and increase their turnover intentions. To sum, because status notification will increase a star’s perceived ease of movement in the external labor market it will act as a cue to seek promotions outside the organization; thus, the traditional model of turnover predicts that status notification will increase turnover intentions.

However, there exists a significant amount of research concluding that individuals who are more embedded in their organizations (Kiazad, Holtom, Hom, & Newman, 2015) are less likely to turnover (see Rhoades & Eisenberger, 2002 for a meta-analysis). As such, I will now build arguments that suggest the communication of star status will decrease turnover intentions because it leads to an increase in internal visibility and social capital—in turn leading to more organizational embeddedness.

Increases in status—like those resulting from star designation—have been argued to be valued as highly as absolute pay level (Duffy et al., 2008). This is because individuals derive esteem and self-worth from their social positions within their
organizations (Ravlin & Thomas, 2005). Furthermore, social positions in organizations provide information about an individuals’ relative worth versus coworkers and the individual’s subsequent power (Thye, 2000) to acquire resources and enhance their reputation. Because individuals place such a high value on status, and organizations have the discretion to delineate status distinctions, organizations have the power to increase perceived organizational support in the notification of star status. The notification validates the employee’s contributions, signals that the organization wants to invest in the individual, and indicates that the organization has hopes for a productive future exchange relationship (Blau, 1964). The resulting increase in the expectation of future investment—on the part of both the employee and the organization—is likely to increase expectations of reciprocity (Gouldner, 1960). Thus, when organizations notify stars of their status, it is likely to decrease their turnover intentions.

_Hypothesis 8a: Star status notification will be negatively associated with a star’s turnover intentions._

Drawing on previous arguments that organizational embeddedness is the totality of forces that encourage “staying” in organizations, I argue that star status notification indirectly impacts turnover intentions through organizational embeddedness.

_Hypothesis 8b. Star status notification has a negative indirect effect on turnover intentions through increasing organizational embeddedness._

The arguments made in the previous chapter that internal visibility will work to retain the star because it increases their organizational embeddedness are relevant here as well. This is because status notification should result in an increase in perceived internal visibility. The organization is officially placing the star on a pedestal when they notify them of their status. The star will now believe that others, besides his/her direct report is
aware of his/her contributions. When the star is notified that they are in an elite group of individuals chosen and groomed to be the future of the organization, they will have instilled in them an increased confidence that their reputation is increasing within the organization (March & Simon, 1958).

Similarly, status notification will increase the stars perceived internal social capital. Status notification reveals that there are individuals inside the organization that hold them in high regard. This apparent “goodwill” signals that the star has multiple advocates within the organization. The growing efficacy surrounding the stars internal networking ability will lead them to reach out to more people. Furthermore, star status is often accompanied by strategic rotations that will introduce them to more individuals and allow them to make more connections. The increase in the collective social links that are experienced by the star as a result of their status notification will lead to greater attachment to and embeddedness in the organization. The preceding rationale lead me to the following hypotheses:

**Hypothesis 9a:** Star status notification will be positively associated with a star’s organizational embeddedness.

**Hypothesis 9b:** Star status notification has a positive indirect effect on organizational embeddedness through increasing internal visibility.

**Hypothesis 9c:** Star status notification has a positive indirect effect on organizational embeddedness through increasing internal social capital.

The final model resulting from the hypothesized relationships in both chapter 2 and 3 is illustrated in Figure 3 below. A serial mediation model is built where the causal chain (starting with star status notification and ending with organizational value capture) seeks to explain how organizations can manage stars in such a way that they are able to
maximize the value sharing relationship. The hypothesis stating the full serial mediation model is as follows:

Hypothesis 10: Star status notification has a positive serial indirect effect on organizational value capture through organizational embeddedness and turnover intentions.

Where previous models have sought to uncover barriers to mobility that organizations can use to constrain stars in order to capture value from their value creation (B. Campbell et al., 2012), I have taken an alternative approach which focused on the psychological motivations that might create a stickiness around star performers within an organization. Thus, I have sought to explain when stars might, of their own volition, share the value they create inside organizations and thus, contribute to competitive advantage in firms; because the nature of organizational embeddedness carries idiosyncrasies that are hard for outside firms to understand and imitate (Barney, 1991; Reed & DeFillippi, 1990).
Hypothesized indirect effects are illustrated above on the last stage of the indirect path. Dotted lines are hypotheses appearing in Chapter 2. Performance, as a proxy for value creation, is represented as an element of organizational value capture (i.e., organizational value capture is the star's performance relative to salary). Although other variables were measured (e.g., internal visibility and social capital, and mentoring), only the variables that provided the most novel and parsimonious theoretical model were included.
CHAPTER 4

METHOD

4.1 SAMPLE

In order to test hypotheses, data collected must have some key features. First, the organization must have a codified, formal process for identifying stars. Second, status must not be uniformly communicated to stars in order to find variance. Lastly, in order to measure organizational value capture, key archival information about the stars (1) value creation and (2) value capture must be available in order to understand the relative distribution of value between the star and organization.

Thus, data were collected from individuals working in a publicly traded, mid-sized financial services firm with headquarters in the United States. Interviews with senior human resource leaders within the organization provided guidance for the identification of participants (i.e., who the “stars” were in their organizations). The organization had a codified process for identifying stars based on their overall value to the organization (e.g., performance, leadership behaviors, and other talent assessment factors) and termed them as “high potentials”. I note that the “potential” is referring to executive potential as everyone in this group has a proven track record of performance in their current role. Talent leadership annually designated individuals as high potentials. While management was not actively hiding information about star designations, they also were not actively conveying this information, providing adequate variance for star status notification among participants. Thus, there was variance among stars with regard to how
informed they were of their status. Archival performance and salary data were obtained in order to assess organizational value capture. Originally, the participating organization agreed to sample 800 employee (including 342 stars). However, shortly before the survey was administered, the organization reduced the sample population to a total of 200 stars. The population was considered the top 2.8% in terms of performance and potential value of the total employees working in the organization (200 of 7,100). Of the 200 stars surveyed, 155 of them responded resulting in a response rate of 77.5% (155 out of 200).

Jobs varied among participants, but the majority comprised of positions in the retail and commercial loan chain (e.g., underwriting, sales, leadership, actuarial etc.). Demographic data were gathered from company records which indicated that the sample was 84.0% white, 4.6% African American, 4.6% Hispanic, and 6.6% Asian. Additionally, 56% percent of the sample were male and the mean age of the sample was 37.8 (s.d. = 7.67; Min = 26.45, Max = 64.32). Those sampled were encouraged by management to participate in the survey and were informed that their individual responses would only be viewed by a third party research team (i.e., their individual responses would be kept confidential from their organization) and that results from analyses would only be reported in aggregate form, thus, curtailing method bias due to social desirability.

4.2 MEASURES

4.2.1 Organizational Value Capture

At the conceptual level, I have defined organizational value capture as the amount of value appropriated by the organization from the total value created by employees. For the purposes of this dissertation, I am particularly interested in predicting organizational value capture from stars. The necessary components of a measure of organizational value

---

10 See the Appendix for the full measures, including every item.
capture should reflect the relative balance of (1) the value created by the employee and (2) the amount of said value captured by the employee/organization. To do so, I rely on the basic assumption that an employee’s performance represents their value creation (Roth et al., 2001; see Sturman, 2012 for a review). Supervisory ratings of individual job performance are a quantitative statement of what the organization values (J. P. Campbell et al., 1993), thus, supervisor’s evaluations of performance were used to proxy for employee value creation—accounting for the first element needed above. Employee salary is a common way to operationalize the extent to which an employee can capture the value they create (Bidwell, Won, Barbulescu, & Mollick, in press.; Della Corte & Del Gaudio, 2014). Salary is comprised solely of economic value appropriated by the employee (while similar measures like replacement cost include elements not captured by the employee); employee salary is also driven by market forces that add to its comprehensiveness in estimating how much value an employee is able to capture. Thus, the two essential elements (i.e., employee value creation and capture) were approximated as follows: employee performance acts as a proxy of employee value creation (Sturman, 2012), and salary represents employee value capture.

All else equal, if an employee has higher (lower) performance than other employees (i.e., creating more relative value), one would expect him/her to be paid more (less)—or capture more (less) relative value. To the degree that there are discrepancies in the relationship between employee value creation (performance) and capture (salary), either the employee or the organization would be capturing relatively more or less value than an efficient value creation/capture relationship would predict.
Thus, to measure an organization’s ability to capture value from potential stars performance, I regressed participants annual salary on their performance\textsuperscript{11} and interpret the residuals in this regression equation (i.e., the difference between the actual and predicted salary compared to performance) to represent the amount of value potential stars captured relative to the value they created (See Figure 4 for the actual plot). Positive residuals (observations above the predicted salary) would suggest that employees were overpaid for their relative value creation, while negative residuals would represent that they were underpaid, or capturing less relative value than is predicted. These residuals were multiplied by -1 in order to represent organizational value capture (instead of star value capture). Thus, these residuals were used to operationalize organizational value capture. Residuals were robust to OLS assumptions (e.g., test of normality, heteroskedasticity) suggesting they were appropriate for analysis (See Figure 5).

\textbf{FIGURE 4.1 SALARY REGRESSED ON TO INDIVIDUAL PERFORMANCE}

\textsuperscript{11} This regression included several covariates (i.e., Education, pay band, Age, and Tenure) in order to obtain a closer estimate of the variance in salary uniquely associated with performance value.
This organizational value capture measurement approach has several advantages. First, since performance ratings came from the same scale for every employee across jobs, I was able to get a standardized measure of employee value creation allowing comparisons within and across job functions—whereas objective economic value creation (e.g., sales) was only available for 15.6% of the study population and would differ by job, making comparisons challenging to interpret.

![Distribution of OVC](image)

**Figure 4.2 Histogram of Residuals Resulting from Salary Regressed on to Individual Performance**

Second, although objective economic measures of value creation are often preferred, some have noted that they do not capture several forms of value creation (e.g., OCBs, leadership; Sturman, 2012). By utilizing performance ratings as a proxy for employee value creation, I capture a broader set of value creation elements (e.g., leadership, peer influence, citizenship behaviors). Third, where most previous
operationalizations tend to focus on either value creation (either at the organization or individual level as discussed) or capture (e.g., just measuring employee salary; Bidwell, et. al., in press), the measure described here, incorporating both value creation and capture, is able to estimate the extent to which the star or organization are capturing value that is created by the star.

Assessing construct validity via differences in organizational value capture between stars and non-stars. All hypotheses in this dissertation are within the group of employees considered to be stars, and, thus, there are no hypothesis tests assessing differences between stars and non-stars. However, the organizational value capture variable was created from an archival data set which had observations for the whole company. This same data set also had information on whether or not individuals were stars. As such, I was able to test whether stars were able to capture more of the value they create compared to non-stars.

Previous literature would suggest that stars are able to capture more of the value they create because they are more visible in the job market and have more social capital that gives them leverage to increase their bargaining power (Call et al., 2015; Coff, 1999). To empirically test whether this was the case in my data, I created the same variable used as the criterion in my analyses for hypothesis testing for organizational value capture for each individual in the data set (N = 5,647)\(^{12}\). I then regressed this criterion on the star/non-star dummy variable (non-stars were coded as ‘0’, stars were coded as ‘1’). There was a significant difference in organizational value capture between stars and non-stars (β = -13,405.47; p < 0001; N = 5,647). Thus, stars are on average able

---

\(^{12}\) I did not, however, have data for the non-stars on their level of education which was one of the controls used in the regression to produce the residuals representing organizational value capture.
to capture $13,405.47 more dollars than non-stars for creating the same value (with the same performance level). This is important because it demonstrates that the total amount of value creation is not what gives employees the ability to capture value. In the case of stars, attributes beyond performance—arguably visibility and social capital—give them more leverage to bid up their wage in order to capture more of the value they create. Despite its advantages, this measure is not without its concerns. The performance measures used as a proxy for employee value creation were obtained from supervisors and are, thus, vulnerable to subjective bias, thus introducing contamination and deficiency (Wang, Wong, & Kwong, 2010). However, performance ratings obtained in this study were not made known to employees and were only for internal company use. Although this does not eliminate socially desirable responses and leniency bias (Holzbach, 1978), it should attenuate them.

In addition to the measure described above, I also collected a self-report measure of employee value capture. This measure had questions like, “I am paid more than I am worth” and, “Relative to others in (my company) with similar job performance, I make more money.” This self-report measure produced a marginally significant correlation to the measure above \( r = 16; p = .06 \) and was correlated to similar covariates (e.g., age, tenure).

4.2.2 Turnover Intentions

To measure the turnover intentions of stars I administered Kelloway, Gottlieb, and Barham’s (1999) 4-item measure (e.g., “I am thinking about leaving this organization,”; 1 = “strongly disagree,” 5 = “strongly agree”). Coefficient alpha in was at an acceptable level \( \alpha = .93 \).
4.2.3 Internal Social Capital

Internal social capital was measured with Ng and Feldman’s (2010) measure of social capital development behaviors, which measures perceptions of behaviors leading to the accumulation of social capital inside the organization (e.g., “I spend a lot of time and effort at work networking with others”; 1 = “strongly disagree,” 5 = “strongly agree”) and outside the organization (e.g., “I spend a lot of time and effort networking with others outside my organization; 1 = “strongly disagree,” 5 = “strongly agree”). Coefficient alpha was .85.

4.2.4 Internal Visibility

In line with past research seeking to understand the implications of visibility in the external labor market, I adapted the 3-item measure of visibility used by Allen and Griffeth (2001) with the addition of one item, which assesses the extent to which the star perceives their performance and reputation to be visible outside his organization (e.g., “It is easy for prospective employers to tell if I am a good employee”; “1 = “strongly disagree,” 5 = “strongly agree”). The added item was seeking to capture perceived reputation visibility because my conceptualization included elements of not only job performance visibility, but also reputation (i.e., “Many prospective employers know of my reputation”). To assess internal visibility, I adapted the external visibility scale above by substituting “manager and coworkers within my organization” for “prospective employers”. (1 = “strongly disagree,” 5 = “strongly agree”; α = .87).

4.2.5 Star Status Notification

To measure whether or not the star had been notified of their status by their organizations, I asked the question, “Have you been told that you are considered a “High
Potential” employee by your employer?” Yes and No answers were dummy coded for analyses. Participants were also asked when they were notified (what year).

4.2.6 Organizational embeddedness

The original measure of job embeddedness was formative (Mitchell et al., 2001)—meaning that job embeddedness was “caused” by the separate dimensions of “fit”, “links”, and “sacrifice”. Formative measures lead to problems with internal consistency, identification, and causality assessment (Edwards & Bagozzi, 2000; Edwards, 2010), particularly when using structural equation models (L. J. Williams, Edwards, & Vandenberg, 2003). Furthermore, my theory was interested in global embeddedness as opposed to a more fine-grained view that would be measured in the traditional Mitchell et al., formative scale (e.g., I was not interested in the particular impact of off-the-job links). Thus, I used a reduced version of a reflective measure of organizational embeddedness (Crossley et al., 2007) that consisted of five questions regarding the overall levels of embeddedness the star feels (e.g., “I’m too caught up in this organization to leave”; 1 = “strongly disagree,” 5 = “strongly agree”). Reliability in was at an acceptable level (α = .81).

4.2.6 Control variables

I included variables that previous literature would suggest might predict organizational value capture in the regression that produced residuals used as my dependent variable. First, education significantly increased an individual’s ability to capture value they created, thus, is was controlled for prior to obtaining residuals that represent the dependent variable. As well, age and tenure were both included in the regression of salary on performance in order to account for these factors that might predict organizational value capture. Because these effect of these variables on the
dependent variable were accounted for in the residual estimation, they were not included in the analysis for hypothesis testing, although they appear in the correlation table for transparency.

4.3 ANALYSIS

Structural equation modeling (SEM) was used to test hypotheses. SEM provides several advantages as opposed to conventional OLS regression. First, SEM allows for the simultaneous modeling of multiple dependent variables. This give researchers the ability to test for multiple direct, indirect and total effects. Second, SEM includes a confirmatory factor analyses (CFA) to adjust coefficients for the measurement error associated with manifest variables (my models include four latent variables).

Overall fit of the models was assessed using different fit indices (Hu & Bentler, 1998). I report the Chi squared, which is the most widely used fit index. I also assessed fit via the root-mean-squared error of approximation (RMSEA), the comparative fit index (CFI), goodness of fit index (GFI), non-normed index (NNFI), also known as the Tucker-Lewis index, adjusted goodness of fit index (AGFI), and standardized root mean squared residual (SRMR) (Steiger, 1990). Adequate fit is assessed by values less than .09 for RMSEA and SRMR, while good fit is also represented in value above .90 with the other fit indices (i.e., CFI, GFI, AGFI, and NNFI; Cheung & Rensvold, 2001). Changes in CFI were used to make model comparisons to assess the incremental fit associated with additional variables (e.g., mediators/moderators; Hu & Bentler, 1998). Once the fit of the data was established, the significance and size of standardized path coefficients test the hypothesized direct effects (L. Williams, Vandenber, & Edwards, 2009). The indirect effects were estimated via 95% bias-corrected bootstrapped CI for indirect effects using
1,000 bootstrap samples and full information maximum likelihood estimation (MacKinnon, Fairchild, & Fritz, 2007).

A power analysis conducted using a moderate effect size for SEM including the amount of variables and relationships modeled suggested approximately N > 367. Because the sample size used in this study contained fewer participants than this (N = 155), the hypothesis tests may be overly conservative and susceptible to Type 2 statistical error. However, data from this population can be particularly challenging to collect. For these reasons, I continue to test and report results, but future research should seek to replicate the findings in this study with a larger sample.

4.3.1 Confirmatory Factor Analysis

I performed a series of CFAs to test the measurement model of the latent variables to be included in the path model (i.e., internal visibility, internal social capital, organizational embeddedness, and turnover intentions). Latent factors were assessed using item-level indicators. The hypothesized four factor model fit the data well: \( \chi^2 = 258.66, df = 129; \) RMSEA = .08; standardized root mean square residual (SRMR) = .06; goodness of fit index (GFI) = .99; comparative fit index (CFI) = .92; non-normed index (NNFI), also known as the Tucker-Lewis index = .90; adjusted goodness of fit index (AGFI) = .98. In order to assess whether fit indices indicated that a four factor model fit the data better than a one factor models, I looked at the change in fit between models (See Table 1). I also tested a two factor model where internal visibility and social capital loaded on one factor and embeddedness and turnover intentions loaded on another—because these scales carried similar constructs. Finally, I assessed the change in fit from a three factor model (internal visibility, internal social capital, and embeddedness and
turnover intentions loading on one factor); the confirmatory factor analysis suggests that the four factor structure provided the best fit in the data.

**TABLE 4.1 CONFIRMATORY FACTOR ANALYSIS AFFIRMING A FOUR FACTOR STRUCTURE**

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>RMSEA</th>
<th>SRMR</th>
<th>GFI</th>
<th>CFI</th>
<th>NNFI</th>
<th>AGFI</th>
<th>$\Delta \chi^2$</th>
<th>$\Delta$ df</th>
<th>$\Delta$ CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four Factor Model</td>
<td>258.66</td>
<td>129</td>
<td>.08</td>
<td>.06</td>
<td>.99</td>
<td>.92</td>
<td>.90</td>
<td>.98</td>
<td>87.53</td>
<td>4</td>
<td>.06</td>
</tr>
<tr>
<td>Three Factor Model</td>
<td>346.19</td>
<td>132</td>
<td>.10</td>
<td>.08</td>
<td>.99</td>
<td>.86</td>
<td>.84</td>
<td>.98</td>
<td>186.04</td>
<td>2</td>
<td>.12</td>
</tr>
<tr>
<td>Two Factor Model</td>
<td>532.23</td>
<td>134</td>
<td>.14</td>
<td>.11</td>
<td>.98</td>
<td>.74</td>
<td>.71</td>
<td>.97</td>
<td>379.30</td>
<td>1</td>
<td>.24</td>
</tr>
<tr>
<td>One Factor Model</td>
<td>911.53</td>
<td>135</td>
<td>.19</td>
<td>.19</td>
<td>.98</td>
<td>.50</td>
<td>.43</td>
<td>.97</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The four factor was the hypothesized model. Change in chi squared and CFI are the changes resulting from adding each additional factor (i.e., from one to two factors, two to three factors etc.). N = 155*
CHAPTER 5

RESULTS

5.1 RESULTS FROM FORMAL HYPOTHESES

5.1.1 Descriptive Statistics

Zero-order correlations along with means and standard deviations of variables are reported in Table 1. Note that several bivariate relationships are consistent with prior findings. For example, organizational embeddedness is highly correlated with turnover intentions ($r = -0.66; p < 0.05$) suggesting that organizational embeddedness decreases turnover intentions. Coefficient alphas are depicted in the diagonal.

5.1.2 Hypothesis Tests

Utilizing the lavaan package in the R software (Rosseel, 2012), I tested the model depicted in Figure 5. Each of the latent variables were modeled using each item level data as single indicators (Cortina, Chen, & Dunlap, 2001); thus incorporating the measurement model in with the corresponding path analysis, both associated with SEM. In order to test the hypothesized indirect effects, the direct path making up these indirect paths were also modeled (MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002) to account for the three part mediation test where the independent variable predicts both the dependent and mediating variable and the mediator predicts the dependent variable. Finally, bias-corrected bootstrapping was used to test for mediation. Variables were standardized for interpretation and in an attempt to avoid non-essential multicollinearity (Cohen, Cohen, West, & Aiken, 1983).
Overall fit of the model presented in Figure 5 was assessed using different fit indices (Hu & Bentler, 1998). Specifically, model fit indices were: $\chi^2 = 325.92; df = 160; RMSEA = .08; SRMR = .09; GFI = .98; CFI = .89; AGFI = .98; NNFI = .88$. These model fit indices suggest that the total fit of the model to the data is adequate. In particular, RMSEA is below .09 and both GFI and NNFI are above the standard cutoffs (.90) for adequate fit.

Once the fit of the data was established, the significance and size of standardized path coefficients were used to test the hypothesized direct effects (L. Williams et al., 2009). The indirect effects were tested by assessing the significance of path coefficients associated with the indirect paths which were assessed via a bias-corrected bootstrapping procedure with 1,000 bootstraps (MacKinnon, Lockwood, & Williams, 2004) to test for mediation (MacKinnon et al., 2007).

Hypothesis 1 predicted that organizational embeddedness would be positively related to organizational value capture. As shown in Figure 5, organizational embeddedness was not significantly related to organizational value capture ($\beta = .10$, n.s.); thus, Hypothesis 1 did not find support. Hypothesis 2 predicted a significant indirect path from embeddedness to organizational value capture through turnover intentions, which did not find empirical support in this data ($\beta = .01$, n.s.). Hypothesis 3 and 4 predicted that internal visibility and social capital, respectively, would be positively related to organizational value capture; neither hypothesis found a significant result (visibility $\beta = -.05$, n.s.; social capital $\beta = -.17$, $p = .10$). I note that internal social was moderately related to organizational value capture, but it was not in the hypothesized direction; possibly suggesting that when stars have more internal social capital, they are able to wield this goodwill towards capturing more value—which would be consistent with
Blyler and Coff’s (2003) assertion that social capital is a deciding factor in how value is split up by stakeholders.

Hypothesis 5a predicted that internal social capital would be positively related to organizational embeddedness, which it was (β = .26, p < .05). A significant indirect path between visibility and organizational value capture through embeddedness was not found (β = .03, n.s.), showing lack of support for Hypothesis 5b. Similarly, internal social capital did predict organizational embeddedness (β = .22, p < .05), supporting Hypothesis 6a, while Hypothesis 6b (predicting that embeddedness mediated the relationship between internal social capital and organizational value capture) was not supported (β = .02, n.s.).

Chapter 3 integrated star status notification into the overall model. First, Hypothesis 7, which predicted that star status notification would lead to organizational value capture was not supported (β = .34, p = .16). The prediction in Hypothesis 8a that notification would be associated with decreased turnover intentions did not find support in the structural equation model (β = .09, n.s.), despite showing a significant bivariate correlation (r = -.17). However, Hypothesis 8b, which predicted an indirect path from status notification through organizational embeddedness, did find support (β = -.57, p < .05), suggests that status notification does decrease turnover intention through the indirect path of increasing organizational embeddedness.

Hypothesis 9a which predicted notification would be related to embeddedness was supported (β = .82, p < .05) suggesting that when stars are notified of their status, it makes them more embedded in their organizations. Hypothesis 9b and 9c hypothesized about the mediating mechanisms between notification and embeddedness; Hypothesis 9b was supported (β = .21, p < .05), suggesting that, for stars, the increase in internal
visibility is an important intervening mechanism in the relationship between status notification and embeddedness. Hypothesis 9c, positing that internal social capital mediates the path between notification and embeddedness, did not find significance ($\beta = .12, \text{n.s.}$).

Finally, Hypothesis 10 integrated hypotheses by predicting a serial indirect effect of star status notification on organizational value capture through both organizational embeddedness and turnover intentions; this hypothesis was not supported ($\beta = .01, \text{n.s.}$). Taken in their entirety, these results suggest that star status notification is an important predictor of retention among stars and that this impact travels through the indirect paths of increased internal visibility and social capital and organizational embeddedness.
<table>
<thead>
<tr>
<th></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>
</tr>
</thead>
<tbody>
<tr>
<td>1. Star Status Notification</td>
<td>.88</td>
<td>.32</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Internal Visibility</td>
<td>3.88</td>
<td>.70</td>
<td>.25*</td>
<td>.87</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Internal Social Capital</td>
<td>3.66</td>
<td>.66</td>
<td>.15</td>
<td>.40*</td>
<td>.85</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Organizational Embeddedness</td>
<td>3.34</td>
<td>.81</td>
<td>.27*</td>
<td>.34*</td>
<td>.28*</td>
<td>.81</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Turnover Intentions</td>
<td>2.34</td>
<td>.83</td>
<td>-.17*</td>
<td>-.27*</td>
<td>-.15</td>
<td>-.66*</td>
<td>.93</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Organizational Value Capture</td>
<td>.00</td>
<td>28075.58</td>
<td>.12</td>
<td>-.03</td>
<td>-.13</td>
<td>.07</td>
<td>-.08</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Age</td>
<td>37.38</td>
<td>7.41</td>
<td>-.20*</td>
<td>-.04</td>
<td>-.05</td>
<td>.04</td>
<td>-.11</td>
<td>.00</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>8. Education</td>
<td>2.35</td>
<td>.66</td>
<td>.02</td>
<td>.05</td>
<td>-.11</td>
<td>-.16</td>
<td>.07</td>
<td>.00</td>
<td>.04</td>
<td>-</td>
</tr>
<tr>
<td>9. Tenure</td>
<td>8.20</td>
<td>6.19</td>
<td>.10</td>
<td>.08</td>
<td>.00</td>
<td>.14</td>
<td>-.07</td>
<td>.15</td>
<td>.48*</td>
<td>.01</td>
</tr>
</tbody>
</table>

*Note. N = 135; Coefficient alphas are on the diagonal; *p < .05, two tailed.*
Figure 5.1 Structural Equation Model Results

Model fit: \( \chi^2 = 325.92; \) DF = 160; RMSEA = .08; SRMR = .09; GFI = .98; CFI = .89; AGFI = .98; NNFI = .88

Note. Path coefficients are standardized. Manifest variables are depicted as rectangles and latent variables are depicted as circles. Full information maximum likelihood estimation was used; N = 155; **p < .01, *p < .05
### Table 5.2 Results from Bootstrapped Tests of Indirect Effects

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Direct and Indirect Paths in Mediated Relationship</th>
<th>Standardized Path Coefficient (95% CI; lower, upper)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hypothesis 2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Embeddedness » TO Intentions</td>
<td></td>
<td>-.88**</td>
</tr>
<tr>
<td>TO Intention » OVC</td>
<td></td>
<td>.17</td>
</tr>
<tr>
<td>Embeddedness » TO intention » OVC</td>
<td></td>
<td>.02</td>
</tr>
<tr>
<td>(95% CI; lower, upper)</td>
<td></td>
<td>(-.27, .30)</td>
</tr>
<tr>
<td><strong>Hypothesis 5b</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Vis » Embeddedness</td>
<td></td>
<td>.27**</td>
</tr>
<tr>
<td>Embeddedness » OVC</td>
<td></td>
<td>.15</td>
</tr>
<tr>
<td>Internal Vis » Embeddedness » OVC</td>
<td></td>
<td>.04</td>
</tr>
<tr>
<td>(95% CI; lower, upper)</td>
<td></td>
<td>(-.08, .17)</td>
</tr>
<tr>
<td><strong>Hypothesis 6b</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal SC » Embeddedness</td>
<td></td>
<td>.23*</td>
</tr>
<tr>
<td>Embeddedness » OVC</td>
<td></td>
<td>.15</td>
</tr>
<tr>
<td>Internal SC » Embeddedness » OVC</td>
<td></td>
<td>.04</td>
</tr>
<tr>
<td>(95% CI; lower, upper)</td>
<td></td>
<td>(-.07, .14)</td>
</tr>
<tr>
<td><strong>Hypothesis 8b</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notification » Embeddedness</td>
<td></td>
<td>.57**</td>
</tr>
<tr>
<td>Embeddedness » TO Intention</td>
<td></td>
<td>-.88**</td>
</tr>
<tr>
<td>Notification » Embeddedness » TO Intention</td>
<td></td>
<td>-.50**</td>
</tr>
<tr>
<td>(95% CI; lower, upper)</td>
<td></td>
<td>(-.84, -.16)</td>
</tr>
<tr>
<td><strong>Hypothesis 9b</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notification » Internal Vis</td>
<td></td>
<td>.54**</td>
</tr>
<tr>
<td>Internal Vis » Embeddedness</td>
<td></td>
<td>.27**</td>
</tr>
<tr>
<td>Notification » Internal Vis » Embeddedness</td>
<td></td>
<td>.14*</td>
</tr>
<tr>
<td>(95% CI; lower, upper)</td>
<td></td>
<td>(.003*, .29)</td>
</tr>
<tr>
<td><strong>Hypothesis 9c</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notification » Internal SC</td>
<td></td>
<td>.34</td>
</tr>
<tr>
<td>Internal SC » Embeddedness</td>
<td></td>
<td>.23*</td>
</tr>
<tr>
<td>Notification » Internal SC » Embeddedness</td>
<td></td>
<td>.08</td>
</tr>
<tr>
<td>(95% CI; lower, upper)</td>
<td></td>
<td>(-.03, .19)</td>
</tr>
<tr>
<td><strong>Hypothesis 10</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notification » Embeddedness</td>
<td></td>
<td>.57**</td>
</tr>
<tr>
<td>Embeddedness » TO Intention</td>
<td></td>
<td>-.88**</td>
</tr>
<tr>
<td>TO Intention » OVC</td>
<td></td>
<td>.17</td>
</tr>
<tr>
<td>Notification » Embeddedness » TO Intention » OVC</td>
<td></td>
<td>.00</td>
</tr>
<tr>
<td>(95% CI; lower, upper)</td>
<td></td>
<td>(-.15, .17)</td>
</tr>
</tbody>
</table>

*Note.* Significance determined via bias corrected 95% CI for the direct and indirect effects using 1,000 bootstrap samples; N = 155. *This CI was very but did not include zero.

* *p < .05  
** **p < .01
## Table 5.3 Hypotheses and Corresponding Significance

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Chapter 2</th>
<th>Chapter 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1  A star's organizational embeddedness is positively related to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>organizational value capture from the star.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>H2  A star's organizational embeddedness has a positive indirect effect</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>on organizational value capture through decreasing turnover intentions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H3  A star's internal visibility is positively related to</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>organizational value capture from stars.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4  A star's internal social capital is positively related to</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>organizational value capture from stars.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H5a A star's internal visibility is positively related to their</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>organizational embeddedness.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H5b A star's internal visibility has a positive indirect effect on</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>organizational value capture through organizational embeddedness.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H6a A star's internal social capital is positively related to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>organizational embeddedness.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>H6b A star's internal social capital has a positive indirect effect on</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>organizational value capture through organizational embeddedness.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H7  Star status notification will be positively associated with</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>organizational value capture from stars.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H8a Star status notification will be negatively associated with a star's</td>
<td></td>
<td></td>
</tr>
<tr>
<td>turnover intentions.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>H8b Star status notification has a negative indirect effect on turnover</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>intentions through increasing organizational embeddedness.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H9a Star status notification will be positively associated with a star's</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>organizational embeddedness.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H9b Star status notification has a positive indirect effect on</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>organizational embeddedness through increasing internal visibility.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H9c Star status notification has a positive indirect effect on</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>organizational embeddedness through increasing internal social capital.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H10 Star status notification has a positive serial effect on</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>organizational value capture through organizational embeddedness and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>turnover intentions.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.2 SUPPLEMENTAL ANALYSES

There were some research questions that were outside the scope of this dissertation but that were still of interest. Because data were available to assess additional questions, I present some additional analyses here assessing the two following questions: First, will a test of nested models justify full mediation for the indirect hypothesized paths? Second, what role does mentoring (whether or not the star engages in mentoring activities) play in their embeddedness and turnover intentions.

5.2.1 Model comparison tests for full and partial mediation. Because I was interested in predicting the direct, as well as indirect effects in my hypothesized model, I did not perform a test of nested models for full/partial mediation prior to my hypotheses testing. However, because none of the direct paths leading to the criterion of organizational value capture were significant, I conducted model comparison test before testing my hypotheses to compare between full and partial mediation (J. C. Anderson & Gerbing, 1988).

<table>
<thead>
<tr>
<th>Models</th>
<th>$\chi^2$</th>
<th>df</th>
<th>RMSEA</th>
<th>SRMR</th>
<th>GFI</th>
<th>CFI</th>
<th>NNFI</th>
<th>AGFI</th>
<th>$\Delta \chi^2$</th>
<th>$\Delta$ df</th>
<th>$\Delta$ CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partial Mediation</td>
<td>325.92</td>
<td>160</td>
<td>.08</td>
<td>.09</td>
<td>.98</td>
<td>.89</td>
<td>.88</td>
<td>.98</td>
<td>5.35</td>
<td>3</td>
<td>.00</td>
</tr>
<tr>
<td>Full Mediation</td>
<td>331.27</td>
<td>163</td>
<td>.08</td>
<td>.10</td>
<td>.98</td>
<td>.89</td>
<td>.87</td>
<td>.98</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N = 155

A chi squared difference test between the partial and full-mediation model was insignificant ($\Delta \chi^2 = 5.35$, $\Delta$ df = 3, $p > .05$; See Table 2 for fit indices). Since the full and partial mediation did not statistically differ in how they fit the data, full meditation can be
assumed. I note that each of the indirect paths that were significant when using the full model (i.e., H8b and H9b) were still significant with the nested, full mediation model.

5.2.2 Does mentoring help or hurt a star’s organizational embeddedness and turnover intentions?

Another important way that stars add value in organizations is through the positive effect that they can have on their peers whether through peer retention due to star’s presence (Groysberg & Lee, 2010) or increased performance (Call et al., 2015). Despite the fact that stars are often used as role models in organizations, the stars literature has not integrated knowledge from the mentoring literature (Higgins & Kram, 2001). This is an oversite because it is through mentoring that stars might have some of their most profound influence on others in their organizations (Call et al., 2015).

To explore this, I sought to assess the impact that being a mentor had on a star’s organizational embeddedness and turnover intentions. In supplemental analyses, I found that mentoring did not predict organizational embeddedness ($p > .05$) or turnover intentions ($p > .05$). This may seem odd; however, with stars, mentoring may be perceived as a nuisance. It has been suggested that stars are more likely to experience cognitive overload and that “the very mentoring opportunities meant to energize employees can feel like a punishment for success…in the case of stars” (Oldroyd & Morris, 2012, p. 404). Thus, I tested mentoring as a moderator in the organizational embeddedness – turnover intentions relationship to see if this relationship was strengthened by mentoring behaviors. The logic is that when stars are not embedded in their organizations, mentoring will lead to higher turnover intentions. I did find that being a mentor interacted with organizational embeddedness to predict turnover intentions ($\beta = -.30$; $p < .05$; $N = 148$). To interpret the effect of this interaction, I plotted the turnover
intentions that resulted from high and low embeddedness of stars that both acted as mentors and did not mentor (See Figure 7). Figure 7 depicts that when organizational embeddedness was low, mentoring had a positive effect on turnover intention, making them more likely to turnover. This suggests that mentoring responsibilities should be given to stars only when they are high in organizational embeddedness.
Figure 5.2 The interaction between organizational embeddedness and mentoring to predict turnover intentions.
CHAPTER 6

DISCUSSION

In the twenty first century, the idea the people are the key to organizational competitiveness has entered into the management axiom (Hitt, Bierman, & Shimizu, 2001; Wright & McMahan, 2011). The so-called war for talent has continued to intensify—with competition being fiercest for the very best employees (Aguinis & O’Boyle, 2014; Cappelli, 2008; Kehoe et al., in press). Organizations go to great lengths to acquire and develop star performers, but employing stars is not without its hazards. Chiefly, the fact that stars can decide at any moment to walk out the door (along with all that the organization has invested in them) makes employing stars particularly challenging (Coff, 1997; Groysberg, 2012). The high-risk-high-return nature of employing stars is, perhaps, why so many scholars have taken an interest in understanding this ever increasing phenomenon of stardom. If we can offer advice on ways in which managers can manage the risks associated with employing stars, this advice would be extremely valuable.

Thus, this dissertation seeks to build knowledge on how to better navigate managing these important employees by offering some important insights to this literature. First, I clarify who a star is, outlining the important role the visibility and social capital have both inside and outside the organization. Second, I uncover voluntary mobility constraints that aid in retaining stars. Finally, I assess the implications of notifying stars of their status in the organizational setting. These contributions have
implications for both theory and managers which I will review in the following sections. Limitations of the current study are examined, followed by suggestions for future research directions.

6.1 THEORETICAL IMPLICATIONS

For the last decade, research on stars in the strategic management field has taken more of an economic approach, which focuses on the mobility and resulting value capturing power that stars have (Groysberg et al., 2008). This previous work has posited that stars may do not add to organizational value without market imposed mobility barriers (Ganco et al., 2015)—essentially that the strategic factor market for stars is close to perfect (Barney, 1986). However, unlike other strategic resources, star are people, with psychological motivations (Coff, 1997). Because of this important distinction, I draw on the micro-literature to understand the psychological motivations that might represent voluntary mobility barriers and to understand the characteristics that might define and distinguish stars as unique individuals. This alternative theoretical approach is emblemized in the following theoretical implications encapsulated in this work.

Confusion among academics regarding what a star is has led scholars to commit the “jingle-jangle” fallacy (Block, 1957) where the same term is used for distinct constructs (jingle) and different terms are used for the same construct (jangle). For example, the words “high performer”, “star”, and “expert” have been used somewhat interchangeably in the management literature (Call et al., 2015). When semantic distinctions are not made, terms are carelessly used and communication between scholars is frustrated (Molloy & Ployhart, 2012), which results in a stifling of knowledge proliferation. Thus, my first theoretical contribution was to demarcate “sharp distinctions that are comprehensible to a community of scholars” (Suddaby, 2011, p. 346) to provide
a unifying definition of a star. This was accomplished by an extensive literature review that spans multiple disciplines—leading to defining a star as those individuals that exhibit sustained and disproportionately high performance, visibility, and social capital.

Previous theory on stars has proliferated the notion that stars cannot provide value to an organization because they are extremely mobile in the job market and can bid their wage up to match their value creation (Groysberg, 2012). As such, my second theoretical contribution posits that value can be appropriated from stars by understanding voluntary mobility constraints. More specifically, unique motivations held by stars (e.g., the motive to become visible) will further embed them in their organizations without monetary reward leading to decreased turnover intentions. When stars perceive that they are more visible inside the organization, it works to increase their organizational embeddedness and thus, reduces their turnover intentions. Previous conceptualizations of employee visibility have focused on their visibility outside organizational boundaries; the distinction is important because this study demonstrates that internal and external visibility carry opposite effects on turnover intentions and embeddedness. The same distinction of internal vs external is use to distinguish the different types of social capital in this study, providing similarly novel theory on why it may impact a star to stay in an organization. Instead of focusing on market forces that might constrain the mobility of stars, this dissertation provides a novel take on mobility constrains that stars will voluntarily adopt. Thus, I simultaneously contribute to both micro and macro field by outlining the strategic value of organizational embeddedness and elucidating voluntary mobility constraints, respectively.

Lastly, despite research that suggests that status changes can have a negative impact on individual well-being and performance, this study offers new theory to suggest
that when stars receive a status increase through status notification, their organizational embeddedness increases and their turnover intention go down. This advances theory on status which is somewhat torn on the effects of high status, finding that there are both positive and negative effects (Bothner, Kim, & Smith, 2012). While some have argued that increases in status lead to complacency and distraction, I build theory for why status notification works to increase the level of perceived fit and social links to more deeply embed individuals in their organization—ultimately leading them to decrease their willingness to withdraw from their jobs and seek alternative employment opportunities. This study would suggest that, as far as stars are concerned, tournament theory and the employee – organizational relationship literature provide a better lens through which we might view the star status notification phenomenon.

At a broad level, future theory building on stars must incorporate both micro and macro perspectives because, while stars are a resource capable of impacting organizational competiveness (Ployhart et al., 2014), they are also individuals susceptible to psychological motivations and biases. Thus, while this dissertation represents a first step into understanding psychologically driven voluntary mobility constraints, we need more theory that seeks to understand how stars might be uniquely motivated verses non-stars. Are stars more or less driven by embeddedness, identification, or equity concerns than non-stars? The literature suggests that stars are unique, yet we still know very little about how that uniqueness is impacted by the breadth of micro theories in organizational psychology. This theoretical segue from a macro focus to incorporating a psychological perspective is the most important broad theoretical implication of this work.
6.2 MANAGERIAL IMPLICATIONS

This study offers several practical insights into how managers can increase a stars sense of embeddedness in their organization, such that they will choose to stay with an organization despite alternative job opportunities. Contrary to some claims that making a star more visible will only lead them to be more mobile, this study suggests that creating an environment where stars are made visible inside their organization increases their organizational embeddedness. Giving them the opportunity to be recognized for their superior performance tends to validate and motivate them. One way of increasing their perceived visibility is letting them know that they are considered “high potential” employees. Organizations are splits as to whether they believe that notifying high potentials of their status will lead to positive outcomes. This study suggest that notifying employees of their status as a high potential employee increases their embeddedness and decreases their intentions to quit. As such, managers should tell their stars that they are considered to be in an elite group. This suggestion should be weighed against the evidence provided in my supplemental analyses that suggests that stars are able to capture more of the value they create.

Another important avenue that managers can take to retain stars is providing opportunities for them to meet a wide variety of individuals within their organization. A large social network increases their sense of embeddedness and decreases the likelihood that they will want to work for another organization. Not only can work relationships provide a sense of belonging and identification in organizations (Baumeister & Leary, 1995; Sluss & Ashforth, 2007), they also create a sense of connectedness that make the idea of leaving fraught with a larger psychological sacrifice (Ng & Feldman, 2010). This
increase in the sacrifice of leaving is because relationships carry unique and idiosyncratic value, thus, they are hard to replicate in another organization.

Notifying stars of their status also had an impact on increasing their perceived social capital. When a star is validated by this designation, it increases the amount of goodwill they perceive from important organizational members. A sense that leaders are advocating for their success decreases the likelihood that a star will look elsewhere for employment. The potential the star feels their career has inside their organization will be positively correlated with their retention. Thus, managers should encourage and facilitate stars to cultivate a large social network within the company, whether through rotational assignments, leadership retreats, or by simply making important introductions for stars with executives. However, this study suggests that social capital may be negatively related to organizational value capture, presumably because their strategic relationships within the firm allow them to appropriate value (Blyler & Coff, 2003).

6.3 LIMITATIONS AND FUTURE DIRECTIONS

This dissertation has some limitations that should be addressed in future research. First, the organizational value capture variable in particular did not find significant relationships according to hypotheses. This is likely due to the fact that the sample size was low as it was related to other covariates with a theoretical relationship to organizational value capture (i.e., education level, age, tenure) in the archival data set which was larger (N = 321). Additionally, some relationship showed a numeric trend toward the hypotheses without meeting the accepted \( p < .05 \) alpha level. Specifically, star status notification \( (p = .16) \) and internal social capital \( (p = .11) \) were trending toward a significant relationship with organizational value capture.
Additionally, the administrative performance measures used to create the organizational value capture variable were reported by managers and may be subject to bias. Although these ratings were not shared with employees, they did, however, have consequences attached to them for the employees (e.g., they were used for promotions etc.). Because these ratings carried consequences for employees, managers may have been biased towards leniency, for example. Although scores were robust to normality assumptions, in the future, research rating which are less susceptible to rater bias would be preferable.

Another limitation of this study is that it the data were cross sectional. As such, I lacked the ability to establish causality because data were collected at one time (Einhorn & Hogarth, 1986)—thus, the relationships remain correlational. Future work should explore the dynamic relationship between changes in embeddedness and organizational value capture. As both performance and salary are time varying, it may be that changes in organizational value capture are a more sensitive and theoretically important criterion.

Although this study was able to establish that status notification had several positive effects on stars, it is entirely possible that this decision has been over-simplified here. For example, if the process by which individuals were chosen as high potential was not clearly defined, organizational members (including the stars) may think the process is biased and it may cause resentment. Relatedly, I was not able to obtain information from non-stars in this study. This limited my ability to make assertions about how star status notification impacted the broader organization. Arguable, the real negative impact of star status notification may be felt by employees that do not get recognized as stars, despite feelings that they should be recognized. Furthermore, what happens to stars if they fall off the “high potential” list is an important future direction. It may be that there are
positive effects from notifying a star in the short run, while in the long run, the increased expectations about what the star deserves from the organization may lead to negative individual outcomes.
CHAPTER 7

CONCLUSION

In order to contribute to the nascent literature on stars that exist within isolated research disciplines, this dissertation, first, coalesces a unifying conceptualization of stars as individuals that exhibit prolonged and disproportionately high performance, visibility, and social capital. Previous research on stars concludes that organizations cannot derive value from star without labor market mobility constraints. As an alternative approach, I explore the psychological foundations of staying behavior among stars and find that increases in perceived *internal* visibility and social capital decrease the likelihood that stars will seek employment outside their organizations. Additionally, many organizations struggle with whether to tell stars that they are considered star employees by talent leadership. I contribute to knowledge on the implications of notifying stars of their status by demonstrating theoretically and empirically that notifying stars increases their perceived visibility and social capital which embeds them deeper into their organizations to decrease their turnover intentions. These particular facets of a star’s motivation that are impacted by the tactical decision to notify stars of their status are brought to light only by a deeper knowledge of what a star is. Thus, clarifying the construct of stars and digging deeper into the dimensions that define them (i.e., visibility and social capital) serves to inform extant literature on stars and provides useful insight to managers with regard to their retention.
REFERENCES


http://doi.org/10.5465/AMR.2002.5922314


http://doi.org/doi: 10.1016/j.orgdyn.2015.05.001


Block, J. (1957). *Three Tasks for Personality Psychology. Developmental science and the*
holistic approach. Psychology Press.


York: Oxford University Press.


http://doi.org/10.1037/a0035789


http://doi.org/10.1287/mnsc.1080.0985


http://doi.org/10.1126/science.159.3810.56


http://doi.org/10.5465/AMR.1998.533225


http://doi.org/10.1037//0021-9010.87.4.698


http://doi.org/10.1177/0003122409359164


http://doi.org/10.2307/1882010


http://doi.org/10.1093/oxfordhb/9780199732579.013.0033


http://doi.org/10.5465/AMR.2010.51141319


Proceedings of the National Academy of Sciences of the United States of America, 93(23), 12709–16.
APPENDIX A. SURVEY INSTRUMENTS

Survey Administered to Participants:

“Instructions:
Please take the next 15 minutes to carefully read and respond to the following questions. Your answers will be kept confidential; information will only be analyzed by a research team at the University of South Carolina. Results will only be conveyed in aggregated form and no individual’s responses will be communicated or reported. Your candid, honest feedback will help XXXX to better understand and meet the needs of its valued employees.”

**Internal Visibility:**

<table>
<thead>
<tr>
<th>Please rate the extent to which you agree or disagree with the following items with regard to your reputation inside your organization: (Strongly disagree – Strongly agree)</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is easy for managers and coworkers within my organization to tell if I am a good employee.</td>
</tr>
<tr>
<td>If my job performance is good, I gain recognition within my organization.</td>
</tr>
<tr>
<td>My job performance is visible to other managers and coworkers within my organization.</td>
</tr>
<tr>
<td>Many managers and coworkers within my organization know of my reputation.</td>
</tr>
</tbody>
</table>

**Internal Social Capital:**

<table>
<thead>
<tr>
<th>Please rate the extent to which you agree or disagree with the following items with regard to your relationships inside your organization: (Strongly disagree – Strongly agree)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I spend a lot of time and effort networking with others within my organization.</td>
</tr>
<tr>
<td>I am good at building relationships with influential people within my organization.</td>
</tr>
<tr>
<td>Within my organization, I know a lot of important people and am well connected.</td>
</tr>
<tr>
<td>I spend a lot of time within my organization developing connections with others.</td>
</tr>
<tr>
<td>I am good at using my connections and network to make things happen within my organization.</td>
</tr>
<tr>
<td>I have developed a large network of colleagues and associates within my organization whom I can call on for support when I really need to get things done.</td>
</tr>
</tbody>
</table>
### External Visibility:

Please rate the extent to which you agree or disagree with the following items with regard to your reputation outside your organization: (Strongly disagree – Strongly agree)

<table>
<thead>
<tr>
<th>Item</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is easy for prospective employers (outside my current organization) to tell if I am a good employee.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
<tr>
<td>If my job performance is good it will be easy for me to find a new job.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
<tr>
<td>My job performance is visible to other prospective employers.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
<tr>
<td>Many prospective employers know of my reputation.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
</tbody>
</table>

### External Social Capital:

Please rate the extent to which you agree or disagree with the following items with regard to your relationships outside your current organization: (Strongly disagree – Strongly agree)

<table>
<thead>
<tr>
<th>Item</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>I spend a lot of time and effort networking with others outside my organization.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
<tr>
<td>I am good at building relationships with influential people outside my organization.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
<tr>
<td>I know a lot of important people and am well connected outside my organization.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
<tr>
<td>I spend a lot of time developing connections with others outside my organization.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
<tr>
<td>I am good at using my connections and network outside my organization to make things happen for my career.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
<tr>
<td>I have developed a large network of colleagues and associates whom I can call on for support when I really need to get things done.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
</tbody>
</table>

### Job Embeddedness:

Please rate the extent to which you agree or disagree with the following items: (Strongly disagree – Strongly agree)

<table>
<thead>
<tr>
<th>Item</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>It would be difficult for me to leave XXXX.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
<tr>
<td>I’m too caught up in XXXX to leave.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
<tr>
<td>I feel tied to XXXX.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
<tr>
<td>I am tightly connected to XXX.</td>
<td>○ ○ ○ ○ ○</td>
</tr>
</tbody>
</table>
## Turnover Intentions:
Please rate the extent to which you agree or disagree with the following items: (Strongly disagree – Strongly agree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am thinking about leaving this organization.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
<tr>
<td>I am planning to look for a new job.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
<tr>
<td>I intend to ask people about new job opportunities.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
<tr>
<td>I don’t plan to be in this organization much longer.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
</tbody>
</table>

## Legacy Beliefs (not currently used):  
Please rate the extent to which you agree or disagree with the following items: (Strongly disagree – Strongly agree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel as though I have made a difference to many people within my organization.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
<tr>
<td>I have made and created things that have had an impact on other people within my organization.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
<tr>
<td>I think that I will be remembered for a long time after I retire.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
<tr>
<td>Others would say that I have made unique contributions to our company.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
<tr>
<td>I feel that I have done nothing that will survive after I retire. (reverse coded)</td>
<td>⬤ ⬤ ⬤</td>
</tr>
<tr>
<td>In general, my actions do not have a positive effect on others. (reverse coded)</td>
<td>⬤ ⬤ ⬤</td>
</tr>
</tbody>
</table>

## Mentoring Motivation (Not used in this study):
Please rate the extent to which you agree or disagree with the following items: (Strongly disagree – Strongly agree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have no desire to mentor.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
<tr>
<td>I would like to be a mentor.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
<tr>
<td>I intend to be, or currently am a mentor.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
<tr>
<td>I would be comfortable assuming a mentoring role.</td>
<td>⬤ ⬤ ⬤</td>
</tr>
</tbody>
</table>

## Mentoring Activity:
Do you have a formal or informal mentor?  
- ☐ Yes  
- ☐ No  
If so, how many do you have?  
_______  

Are you a formal or informal mentor to others?  
- ☐ Yes  
- ☐ No  
If so, how many mentees do you have?  
_______  

95
Star Status Notification:
Have you been told that you are considered a “High Potential” employee your employer?
☐ Yes
☐ No

If yes, were you notified of your “High Potential” status through formal or informal channels?
☐ Formal
☐ Informal

If so, what year were you told? __________

In your opinion, what should XXX do to better develop high potential employees?

<table>
<thead>
<tr>
<th>Please rate the extent to which the following items get in the way of your development: (Strongly disagree – Strongly agree)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not enough personal time to devote to development</td>
</tr>
<tr>
<td>A lack of understanding for your development needs</td>
</tr>
<tr>
<td>The cost for further education/certification</td>
</tr>
<tr>
<td>Lack of opportunities once completed with development</td>
</tr>
<tr>
<td>Other obstacles</td>
</tr>
</tbody>
</table>

Self-Report Measure of Value Capture:

<table>
<thead>
<tr>
<th>Please rate the extent to which the following items get in the way of your development: (Strongly disagree – Strongly agree)</th>
</tr>
</thead>
<tbody>
<tr>
<td>My job performance creates more value for Ally Financial than</td>
</tr>
<tr>
<td>the cost of my salary.</td>
</tr>
<tr>
<td>I create value that I am not compensated for.</td>
</tr>
<tr>
<td>I am paid more than I am worth.</td>
</tr>
<tr>
<td>At my level of contribution, I could make more money in another</td>
</tr>
<tr>
<td>organization.</td>
</tr>
<tr>
<td>Relative to others in Ally Financial with similar job performance, I</td>
</tr>
<tr>
<td>make more money.</td>
</tr>
</tbody>
</table>

What stage of your career would you say you are in?
Early, middle, late

How many companies have you worked for?

What is your education level?