Not a Blank Slate:
How Managers Come to Define and Approach the Evaluation of Merit

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Abstract

Merit is increasingly guiding employee decision-making in the corporate world. Yet little is known about how managers come to define merit and approach the evaluation of merit. We address this gap by offering a process model of merit that identifies the antecedents of managerial understandings of merit. Interviews and qualitative review data from a diverse sample of managers and from managers at a U.S. technology company initially revealed that merit is not a uniformly defined concept. We found that managers’ personal definitions of merit varied along three dimensions: what, how, and who is being evaluated. Our analysis then identified two clusters in managers’ definitions of merit, which in turn map onto two distinct approaches to evaluating merit: a specific approach in which employees’ work actions are evaluated objectively and at an individual level, and a broad approach in which employees’ work actions and personal qualities are evaluated objectively and subjectively, both individually and as part of a team. Subsequently, our process model traces managers’ personal definitions of merit to their own prior experiences as employees subject to evaluation. Finally, our evidence suggests that as a result of their past experiences as subjects of evaluation, female and racial-minority managers are more likely than white male managers to adopt a specific approach to evaluating merit. Our study contributes to the growing organizational literature on merit by showing that managers are not blank slates: How managers define merit depends on their own early-career experiences as employees, which ultimately shape their approaches to evaluating merit later when they become managers.
Merit is widely considered a fair and legitimate principle for guiding employment-related decisions (see Scully 2000; McNamee and Miller 2004; Cooper 2015). In the United States, in particular, the norm of providing opportunity for all and rewarding individuals based on merit is fundamental to the American Dream (Kluegel and Smith 1986; Ladd and Bowman 1998; Lemann 1999). Accordingly, employers are increasingly using merit as a metric to select job applicants and to distribute rewards among employees (Ospina 1996; Cappelli 1999; Osterman 1999). Throughout the world, the adoption of evaluative processes that use merit as a distributive principle is heralded as a sign of development and progress (Kluegel and Smith 1986; Grindle 2004).

Given the pervasiveness of merit as a professed value in organizational life, scholars have begun paying close attention to the implications of using merit for selecting, promoting, and rewarding individuals (for a review, see, e.g., Petersen, Saporta, and Seidel 2000; Elvira and Graham 2002; Petersen and Saporta 2004; Roth 2006; Castilla 2008, 2011). Because employers’ adoption of merit-based organizational processes is celebrated for promoting equitable career prospects for all employees (Scully 2000; Heneman and Werner 2005; Noe, Hollenbeck, Gerhart, and Wright 2008; Ospina and Foldy 2009; Dobbin 2009), empirical studies in this research tradition have begun to focus on whether such processes are indeed successful at reducing managerial discretion and bias in employment evaluations and outcomes (e.g., Shwed and Kalev 2014; Castilla 2016; Rivera and Tilcsik 2016).

While significant progress has been made in studying the consequences of employers’ merit-based practices for the careers of employees, less well examined is how merit comes to be understood by key organizational decision makers. In particular, little is known about how managers themselves—those in charge of implementing merit-based practices at their organizations—come to define merit, and to approach the evaluation of merit when making decisions about hiring, promoting, and rewarding employees. To answer this question, we propose a process model of merit that represents a first step toward specifying the antecedents of managerial understandings of merit. This model identifies the stages through which individuals—at first as early-career employees—arrive at their personal definitions of merit, and later, as managers, approach the evaluation of merit in employment decisions. The process
model offers insights that advance our understanding of how merit is construed by managers at workplaces that aim to be meritocratic.

We developed our model inductively, by analyzing unique qualitative data collected from 41 interviews with diverse managers experienced at making merit-based decisions (Sample 1). To supplement that first set of interviews, we interviewed 11 managers at a large technology company in Silicon Valley that uses merit to inform employee evaluations and rewards, henceforth called Bay Area Corp (Sample 2a). We also collected and analyzed 56 qualitative reviews of employment-related decision-making, written and posted online by managers at Bay Area Corp (Sample 2b). The key advantage of using such data, containing open-ended discussions of merit, is that it allows us to theorize about the managers’ definitions of merit and approaches to evaluating merit (Flick 1998).

Analysis of our data revealed that managers define merit in a variety of ways and that their personal definitions of merit vary along three dimensions: what is being evaluated, how the evaluation is performed, and who is the unit of analysis. We found two main clusters of what, how, and who to evaluate when we aggregated managerial definitions of merit; these clusters map onto two distinct approaches to evaluating merit: a specific approach, in which employees’ work actions are evaluated objectively at an individual level, and a broad approach in which both work actions and personal qualities are evaluated, both objectively and subjectively, considering the individual both alone and as part of a team. Furthermore, our process model of merit shows that managers arrive at their personal definitions of merit largely on the basis of their own prior experiences as employees subject to evaluation. As a result of differences in their experiences of being evaluated, we find that women and racial-minority managers tend to adopt a specific approach to merit-based decisions; white male managers tend to adopt a broad approach.

Our inductively derived model makes four important contributions to the study of managerial decision-making, especially within organizations that introduce and encourage meritocratic values. First, despite the prevailing assumption in the organizational and employment literatures that merit is a clearly defined guiding principle (see Scully 1997, 2000; Castilla 2017), our study shows significant variation in
both managers’ definitions and approaches to the evaluation of merit. We thus contribute to research that emphasizes “bringing managers back in” to the study of allocative and distributive processes (see Reskin and McBrier 2000; Briscoe and Kellogg 2011; Castilla 2011). Second, our study investigates the antecedents of managers’ definitions of merit, exploring how managers come to understand merit and showing that they are not blank slates in how they approach merit. This inquiry has the potential to advance scholarship on the implementation of merit, which has largely ignored managers’ prior experience as subjects of evaluation while concentrating on the impact of merit-based practices on employee-level outcomes (see, e.g., Jackson 2001, 2007; Castilla 2008, 2015). Third, our research identifies two clusters in managers’ definitions of merit, each with its own pros and cons. This finding suggests that there may be no ideal way to define merit; it also calls for further research aimed at identifying additional clusters of managerial understandings of merit in today’s organizations.

Finally, our study reveals heterogeneity in how demographically different managers approach merit. As a result of their own prior experiences as subjects of evaluation, we find that female and racial-minority managers approach the evaluation of merit differently than white male managers. This finding has profound implications for the study of workplace inequality, especially as the presence of women and racial minorities in management increases. Future research should consider the effects of evaluations experienced by individuals of different demographics on their later implementation of merit decisions.

Next, we begin by reviewing the literature on merit, with a focus on theoretical gaps that we hope to address. We then describe our methodology: open-ended interviews and careful coding of the interview data, supplemented with qualitative reviews of employee-related decision making, an approach particularly well suited to eliciting and exploring managers’ multiplicity of meanings of merit in the workplace. We then present our main findings and introduce our process model. The paper concludes with a discussion of our study’s implications for understanding employment-related decision-making.

**Merit in the Workplace**

The ideal of meritocracy as a social system that rewards individuals based on merit is at the heart of human engagement, especially in post-industrial societies (see, e.g., Lemann 1999; Kunovich and
Since the turn of the twenty-first century, institutions and organizational processes have promoted “meritocratic” workplaces (see Heneman and Werner 2005; Noe, Hollenbeck, Gerhart, and Wright 2008; Castilla 2008). In such meritocracies, employers measure merit and implement merit-based processes when selecting job applicants, appraising workers’ performance, and distributing rewards. Such efforts are widely viewed as fair and as opportunity-enhancing for all (see Ospina 1996; Osterman 1999; Cappelli 1999; Dobbin 2009).

Despite extensive scholarly interest in the role of merit and merit-based employment processes within organizations, we find little agreement among scholars on what merit actually means. As the following review shows, despite the prevailing notion that merit is a consistent and clearly defined guiding concept, prior academic work appears to be characterized by a multiplicity of definitions. Our review also reveals that organizational and employment scholars have tended to examine the consequences of using merit in the workplace; far less research has focused on the antecedents of managerial understandings of merit. With this study, for the first time in the literatures on organizations, employment, and workplace inequality, we begin addressing these important gaps by investigating how managers come to define merit and to approach the evaluation of merit within meritocratic regimes.

**Defining Merit in the Literature**

While discussions of meritocracy and merit can be documented back to early intellectuals (e.g., Aristotle, Confucius, Tocqueville, and Jefferson), the prevailing contemporary concept of merit is often attributed to Michael Young’s dystopian satire *The Rise of the Meritocracy* (1958). Today, merit is widely acknowledged as a fair and legitimate principle for guiding employee-related decisions in the workplace (see Scully 1997; McNamee and Miller 2004). Merit is usually defined in opposition to decision-making based on social class, wealth, family origins, demographics, and other individual characteristics conferred at birth (Scully 2000). Meritocratic systems are also contrasted with aristocratic and class-based systems, where birth or family privileges (Scully 1997) or other ascriptive features influence an individual’s success in society (Castilla 2008; Dencker 2009). Such definitions specify what merit is not, but the literature is less clear about what merit actually is.
Sometimes merit is defined as fixed attributes, such as intelligence, personality, motivation, and moral character; at other times it is defined as acquired attributes, such as skills, expertise, knowledge, and other educational and professional accomplishments (see, e.g., Castilla 2017). For example, Goldthorpe and Jackson (2008) discuss a definition of merit that primarily entails educational attainment, or what they call “education-based” meritocracy. Longoria (2009: 7), by contrast, asserts that “merit … is about one’s performance … and one’s performance is measured by one’s ability and effort.” Some definitions conflate intrinsic ability—also referred to as intelligence, ability, or talent—with acquired ability, which tends to be associated with the effort to learn and acquire skills. McNamee and Miller (2004) conflate ability and effort and add two more dimensions—personal and moral characteristics—to their definition of merit as the “combination of innate abilities, working hard, having the right attitude and having high moral character and integrity.”

Understandings of merit also vary across fields, such as education, politics, and science. In the context of the U.S. educational system, for example, Alon and Tienda (2007) stress that, over time, educational institutions have relied increasingly heavily on standardized “objective” test scores (such as the SATs) to meritocratically screen student applicants, despite evidence that test scores have low predictive validity for future academic success. Other studies in education call attention to subjectivity in the interpretation of admissions criteria (Posselt 2014, 2016) and assert that “merit-based” scholarships are often awarded on the basis of economic need (Guinier 2016, Stevens 2007).

In politics, Stryker, Danielson, and Schrank (2011) argue that merit is socially constructed. Their analysis of political discourse on merit and opportunity in the United States since the 1960s posits that the concept of merit is strategically framed and deployed to achieve particular political ends. Specifically, they claim that merit is a “catch phrase” constructed by opponents of affirmative action, who explicitly define merit as the opposite of race-based hiring and preferential treatment. Because merit is invoked to oppose affirmative action, they point out, it is not merely subjective but also undefined beyond the individual. On a different note, some social psychological research on justice and fairness suggests that merit is used as a social principle to legitimize the (unequal) status quo: Individuals and groups at the top
of the status hierarchy invoke “merit” to justify and sustain their status and to mitigate resistance (see, e.g., McCoy and Major 2007; Khan 2010; Townsend 2010).

With respect to science, Blair-Loy et al. (2017) call attention to a widespread cultural belief that academic science operates on the basis of merit, whereby the best scientific ideas are objectively assessed and rewarded. But Trix and Psenka (2003) claim, in an analysis of recommendation letters for medical-school faculty positions, that scientific merit is not judged independently of the subject’s gender, a finding consistent with the work of Lamont (2010) and Śliwa and Johansson (2014) on the implementation of academic standards. Similarly, Shenhav and Haberfeld (1988) find subjectivity in the interpretation of scientific productivity, and Cech and Blair-Loy (2010) argue that meritocratic ideologies are inconsistently invoked, depending on the career and family circumstances of the professionals in question.

In the popular press too, the past two decades have witnessed debate about the definition of merit. In a controversial Los Angeles Times article, “Standards of Meritocracy Don’t Add Up,” published in 1997, Rosener observed that “the word suggests that merit can, and should, be based on accomplishment that can be measured in objective terms” though “in reality, determining merit solely on objective grounds is rare.” Rosener’s essay elicited several hostile responses: One called her claim a “ridiculously simple argument” (Williams, “Objective Stuff Won’t Tell All? We Know That,” 1997); another chided her for proposing “subjective standards,” an oxymoron likely to give way to prejudice, favoritism, and cronyism, the very evils that the concept of merit was intended to eliminate (Showstack, “Defending the Merits of Meritocracy,” 1997). Such debate is even enshrined in recent dictionary definitions of merit, which range from the open-ended, such as “the quality of being particularly good or worthy” (Oxford English Dictionary), to the narrowly prescriptive, such as “praiseworthy qualit[ies], character or conduct” (Merriam-Webster Dictionary).

But there may be no domain where lack of clarity about what merit means matters as much as the work and organizational context. Yang and Aldrich (2014: 304) define merit narrowly as “task competence”; Castilla and Benard (2010: 545) define merit broadly as a “distributive mechanism resting on equal opportunity.” Some scholars have used objective measures of merit to study inequality in white-
collar organizations. For example, Petersen et al. (2000) treat education as a “merit-based” variable when analyzing employee pay growth and promotion chances at a high-tech company. In an in-depth content analysis of newspaper job advertisements, Jackson (2007) studies how employers search for merit, measured using individuals’ qualifications (including highest educational level achieved), cognitive abilities, effort or motivation, and technical skills. And Castilla (2008), in a study of a large service organization, uses individuals’ performance evaluations as a proxy for merit. Human-resource experts on merit-based pay also recommend evaluating merit through “results and behaviors … rather than traits” (Eskew and Heneman 1996: 16).

In contrast, Scully (2000) sees merit as a “dominant ideology” and a “broad, elastic ideal” that operates in practice to favor elites and reproduce their privileges. Roth’s (2006) work also addresses the social construction of merit in the workplace by invoking the “ideal worker” literature. Roth (2006) argues that many Wall Street companies adopt subjective definitions of merit that allow stereotypes and biases against women to enter performance evaluations: The “ideal worker” in finance is typically understood as male. (See Gorman (2005) for a similar argument in the context of lawyers and law firms.) Thus, Roth (2006) reports, whether any particular worker is deemed meritorious depends not only on formalized benchmarks of achievement but also on individual ascriptive measures. Rivera (2012) makes similar claims; indeed, Rivera’s research highlights how individuals fitting into their team, the organization, and the work culture can influence their evaluation of “merit” in recruitment and selection decisions (see Rivera 2012, 2015). Scholarship on merit-based pay similarly reports vast managerial discretion in evaluation of merit for purposes of pay and reward decisions (Elvira and Graham 2002).¹

In parallel with this wide variation in scholarly definitions of merit, managers’ use of definitions and measurements of merit in the workplace has gone largely uninvestigated. This question is critical to investigate because managers’ merit-based decisions ultimately affect employees’ careers (see Reskin and Padavic 1988; Reskin 2000, 2001; Reskin and McBrier. 2000; Briscoe and Kellogg 2011; Castilla 2011,

¹ Whether managerial discretion exacerbates or curbs workplace inequality is also debated in the literature (Elvira and Graham 2002, Kalev 2014, Ferguson 2015).
among many others). This study is a first step toward mapping variation in managers’ definitions of merit and exploring from where such variation arises.

**Consequences of Using Merit in Workplace Decision-Making**

The workplace-inequality literature has largely focused on the consequences of using merit to guide decisions about employees. Specifically, scholars have examined whether using merit as a distributive principle reduces demographic disparities in employment outcomes (for a review, see, e.g., Petersen, Saporta, and Seidel 2000; Roth 2006; Castilla 2008, 2011). Many empirical studies have found that demographic inequality persists even after adoption of merit-based practices (see, e.g., Castilla 2008; Dencker 2009; Yang and Aldrich 2014).

Research has also found variation in how managers make merit-based employment decisions depending on the demographics of the individuals they evaluate and the organizational context. Castilla (2008) shows that, at one large U.S. company that encouraged rewarding merit, women and minorities received lower salary increases than white men (in the same job and work unit, with the same human capital and the same supervisor) even after being given identical performance-evaluation scores. In the context of employment of foreign nationals, Rissing and Castilla (2014) show that, though discrimination on the basis of nationality is unlawful, government agents approve certification to work in the United States differentially, depending on immigrants’ foreign citizenship, even after controlling for factors relevant to the job and the employing organization. Similarly, Śliwa and Johansson (2014) claim that, in academia, competing definitions of merit are a contested terrain that might exclude women from “outsider” nationalities (see also Johansson and Śliwa 2013).

In a series of experiments, Castilla and Benard (2010) find that an organizational-level emphasis on meritocracy tends to introduce biases in favor of male employees. Their study provides support for the “paradox of meritocracy” argument, which hypothesizes that organizational-level emphasis on meritocratic core values tends to prompt both male and female managers to reward men more favorably than equally productive women. Similarly, Yang and Aldrich (2014) show that, despite merit-based guidelines, gender inequality persists in the leadership of mixed-sex entrepreneurial teams at startups.
Despite all this evidence that merit may be a problematic concept to implement at work, little is known about the antecedents of individual managers’ understandings of merit. Investigating such antecedents may be crucial for understanding the organizational and managerial processes that introduce and sustain workplace inequality. This study identifies and develops a process model of merit as a framework for understanding variation in managerial definitions of merit and for exploring the sources of such variation. We also study variation in approaches to merit among managers from different demographic groups.

**Data Collection and Methods**

This study draws on data collected from 52 in-depth interviews with U.S. professionals whose managerial experience is wide-ranging. The first sample (Sample 1) consists of professionals with managerial experience enrolled in a graduate MBA program at a U.S. business school (n=41). The second sample (Sample 2a) consists of working managers at a large Silicon Valley technology company, hereafter called Bay Area Corp (n=11). We also collected qualitative reviews (Sample 2b) by a different set of managers working at Bay Area Corp (n=56) describing how managerial decisions are made at Bay Area Corp. These reviews were from a website where employees and former employees post anonymous reviews of companies.

All managers in Samples 1 and 2a volunteered to be interviewed. We chose an MBA population for Sample 1 because we wanted a sample of managers with a variety of professional and personal backgrounds. Furthermore, professionals enrolled in a graduate business program could talk openly about their work experiences because they were no longer affiliated with their former employers. These individuals, who had an average of three years of experience supervising employees, discussed both managing employees and being managed themselves; this double focus helped us develop our process model of merit, which identifies the antecedents of managerial understandings of merit. Furthermore, one goal of graduate business programs is to prepare students to fill senior positions with supervisory and

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2 Interviews in Sample 1 are labeled #1000 onwards; interviews in Sample 2a are labeled #1301 onwards; reviews in Sample 2b are labeled #1501 onwards.

3 We initially conducted 45 interviews with the MBA population but dropped four interviews in order to restrict the sample to managers who had worked for explicitly meritocratic organizations.
managerial responsibilities, including evaluating and rewarding employee merit. Thus, despite initial worry that MBA programs could bias our interviewees, we found that the program in question primed professionals to think deeply about merit, ethics, and morals in organizations (see Anteby 2016 and Rivera 2106, for similar arguments). We also found that the MBA interviewees were eager to talk about their experiences as employees as well as their supervisory and managerial experiences.

We also interviewed managers at Bay Area Corp. Interviewing managers at a single company (and location), with similar job responsibilities, who supervised employees with similar professional backgrounds, enabled us to investigate merit in a well-defined organizational context. Given the limited number of interviews that we were able to collect for Sample 2a, we supplemented the interview data with data on anonymous reviews written by Bay Area Corp managers and posted on an online platform; this material became Sample 2b. The anonymity guaranteed by the online review platform enabled managers to be particularly frank in their accounts, an asset for research purposes.

At the beginning of each interview, we administered a two-page survey to collect demographic and attitudinal data. Table 1 reports descriptive statistics for our combined interview sample of 52 managers and for Samples 1, 2a, and 2b separately. (Note that we have scant demographic data on Sample 2b because it contains anonymous online reviews.) Of the managers we interviewed, 32 percent were women (n=12), 6 percent were African American (n=3), 38 percent were Asian American (n=20), and about 13 percent were Hispanic (n=7). They were, on average, 32 years old (a standard deviation of 5.9), with 7.8 years of work experience (a standard deviation of 5.7) and three years of managerial experience (a standard deviation of 3.9). On average, they had supervised 12 employees, with a standard deviation of 32 (six participants had managed more than 20 employees). We measured the extent to which our managers enjoyed supervising employees using a 7-point Likert scale (from 1= “I do not like it at all” to 7= “I like it very much”). The average value was 5.27 (with a standard deviation of 1.5); 88 percent of respondents

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4 We were only able to perform 11 interviews for Sample 2a because our main contact at the company retired; this and other organizational restructurings precluded collecting more interview data.

5 Despite our best efforts, we were only able to interview three African American managers. The percentage of African American managers in our sample is quite similar to the representation of African Americans in the MBA program at the time of our interviews.
chose a value of 5 or higher (only 5 percent reported not liking supervision at all). Note the differences between Samples 1 and 2a: Managers in Sample 2a had longer work experience and were more likely to be male, older, married, and parents.

[Table 1 about here]

The use of interviews was essential to this study. A key advantage of the interview method is that managers’ viewpoints are likely to be expressed relatively openly (Flick 1998). Interviews also tend to reveal managers’ (implicit) knowledge and opinions in the form of answers to standardized questions, and these answers become accessible to interpretation.

The interviews lasted one hour, on average (with a standard deviation of 22 minutes), and employed a semi-structured format. (The interview protocol appears in Appendix B.) We asked questions from the interview protocol in a conversational style, using language familiar to the interviewees and letting the discussion evolve in keeping with the managers’ responses. We also probed respondents’ answers to elicit stories, illustrations, and elaborated arguments (Spradley 1979). The interviews focused on practices and routines that the managers encountered at their companies, and in particular on whether they perceived these practices as “fair,” “appropriate,” and/or “right.” We also asked who deserved to get ahead in organizations, eliciting examples from the respondents’ experiences. Finally, we probed managers’ definitions of merit, and specifically the implementation of merit in the workplace. Of note is that we did not use the word merit until the participant did so or until the end of the interview (if the participant had not yet done so). We adhered to this practice in order to elicit managers’ preconceived interpretations of merit, rather than invoking definitions used in corporate discourse. The interviewees expressed their individual understandings of merit through their stories and arguments.

The interviews were digitally recorded and are available upon request. The transcripts of the 52 interviews and the 56 online reviews, along with our interview notes, serve as the main empirical foundation of this paper. The data consists of more than 1,400 single-spaced pages of text.

For Sample 2b, we first started with the population of reviews written by current and former employees and managers at Bay Area Corp. We first restricted the sample to reviews written by current
managers, resulting in a sample of 400 reviews. Then, because reviews can pertain to any aspect of an organization, such as the food and fitness facilities, we further restricted the sample to reviews that included at least one of the keywords *merit, performance, evaluation, bonus,* and *review,* reducing the sample to reviews written by 56 managers. The reviews were, on average, 125 words in length.

**Data Analysis**

Our analytic process was highly iterative, consisting of several rounds of axial coding and frequent consultations of the literature as new themes emerged. (Appendix A describes the main phases of analysis.) We adopted methods from prominent articles similarly describing the identification of process models, particularly influenced by the research of Kaplan and Orlikowski (2013) and Ibarra (1999).

We first coded all 52 interviews in Sample 1 and Sample 2a, which we combined in order to explore individuals’ definitions of merit in an open-ended fashion. We initially coded line by line and then did so paragraph by paragraph, using the Atlas.ti qualitative software package, which is designed to facilitate grounded theory coding and analysis (Charmaz 2006). In the first phase of our work, we coded only passages that explicitly mentioned merit. In the second phase, we employed a finer-grained coding scheme to identify talk that shaped understandings of merit even when merit was not explicitly mentioned. Using Atlas.ti, we attached labels or codes to portions of text while reading through transcripts of the data. If necessary, portions of text were assigned multiple codes. This process generated 63 codes or keywords identifying common themes in the data. We then grouped like-coded data into categories for further analysis (Corbin and Strauss 1990, 2007). For example, the initial codes “talent,” “intelligence,” and “qualities” were bundled into *ability,* a code that refers to an individual’s innate capabilities. We continued this iterative process of coding and categorizing each paragraph of each
transcript using grounded analysis. This coding process was guided by literature on how individuals make sense of culturally complex terms such as *professionalism, love, and diversity* (see Barley, Bechky, and Nelsen 2016; Tavory and Swidler 2009; and Bell and Hartmann 2007 respectively). Our first round of coding identified variation in managers’ *personal definitions of merit*, as well as three dimensions that could jointly account for variation in the meanings of merit: *what* was being evaluated, *how* the evaluation was being performed, and *who* was the unit of analysis.

Because this set of interviews (n=52) was broad and diverse, we worried that the variation in understandings of merit we had uncovered was attributable to the diversity of the organizations, occupations, and industries represented in Sample 1. In a second round of coding, therefore, we turned to an open-ended, inductive coding scheme, and used only Samples 2a (n=11) and 2b (n=56), to determine whether different understandings of merit emerged even when we looked at a single organization, Bay Area Corp. We first coded the interviews in Sample 2a, and with some emergent themes we then moved on to Sample 2b, the reviews, to solidify our findings. This analysis revealed that even managers employed at the same organization varied in their understandings of merit. Furthermore, our analysis of these data from a single organization found two clusters of understandings reflecting two very different *approaches to evaluating merit*: a specific approach and a broad approach. The identification of these two approaches was interesting in itself, but it raised a new question: What factors influence a particular manager’s personal definition of merit?

In a third round of coding, we returned to the combined Samples 1 and 2a (n=52), this time inductively coding for how managers arrived at their understandings of merit; we relied on the imprinting literature as our guide (for a review, see Marquis and Tilcsik 2013). We used Samples 1 and 2a at this stage because of the combined sample’s greater diversity and wealth of “talk” about interviewees’ struggles to come to an understanding of merit. The coding of this data revealed that managers’ early-career *occupational choices* served as a starting point for understanding merit; then their *experiences of*

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8 Because we did not collect quantitative data on actual evaluations, we cannot link variation in employment outcomes to managers’ approaches to evaluating merit.
evaluation as employees, including the outcome of evaluation, led to a refinement in understandings of merit that fed back into their personal definitions of merit. The three rounds of coding, collectively, led us to a process model of merit that outlines how managers come to understand, evaluate, and reward merit.

Finally, inspired by Bechky (2011) and Pratt (2009), we explored whether there was demographic variation in our findings. Specifically, we examined whether the white men in our managerial samples moved through our process model differently than the non-white men and women, such that they adopted different approaches to evaluating merit. This inquiry also responds to calls in the literature to analyze how race, gender, and leadership intersect with merit (Ospina 1996). We performed this analysis first on Sample 2a, since we had already coded which of the 11 managers in the sample had adopted specific and broad approaches to evaluating merit. We also coded each evaluation experience described by each of the 11 managers, whether the manager perceived its outcome as fair or unfair, and how the manager had refined his/her understanding of merit accordingly. Once we had coded these variables, we matched the ID number attached to each interview to the demographic characteristics of the managers to identify patterns by race and gender. We then repeated this analysis using the larger Sample 1. The section that follows describes the findings that emerged from our data analyses.

The Process Model of Merit

Using our qualitative data from diverse managers as well as managers in Bay Area Corp (described in the prior section), we identified and developed a process model of merit that articulates how managers come to define and approach merit in the workplace. In the next subsections, we present our main findings regarding this process model. We first describe what pattern of variation we found in managers’ personal definitions of merit. We then present two clusters in managers’ definitions of merit, mapping onto two different approaches to evaluating merit: a specific approach and a broad approach. We subsequently describe the process through which managers come to arrive at their personal definitions of merit. Finally, we show variation in how demographically different managers approach the evaluation of merit.

9 We thank our three anonymous reviewers and the editor for encouraging us to examine our qualitative data further, with the goal of identifying possible sources of variation in our process model across demographic groups.
Variation in Managers’ Personal Definitions of Merit: What, How, and Who

Our inductive analysis of interview data uncovered significant variation in the meanings of merit. This section describes the dimensions along which managers portray merit, thus rounding up the disparate and often contradictory definitions used in the literature.

Some managers viewed their own definition of merit as “right” and as the only possible definition. One said, “Merit is merit, right?” (#1002); another asserted that “it is, like, obvious” (#1008). Other managers astutely picked up on variation in definitions of merit. “The definition of merit can be different,” one manager said. “It’s not such a straightforward thing, right?” (#1005). Another acknowledged the need to “recognize that however we’re going to define merit, it’s going to be flawed” (#1000). One manager said, “I have to look at this organization’s mission…. I think, you know, criteria are different. Your criteria are different, so as a result your merit is also different” (#1021). Another added, “I think there's at least a few ways to look at a deserving person” (#1310).

Table 2 presents a snapshot of definitions of merit. As the table shows, some managers equated merit with “effort”; others added into the mix innate “raw materials” and acquired “skills.” Some managers asserted that appraisals of merit should focus on the individual; others included how one “behaves … with peers … and clients” and what one is “contributing to the company.” Some managers believed that merit should be assessed in terms of the company “resources” expended on an individual; others thought that merit should be evaluated by managers or via annual performance evaluations.

[Table 2 about here]

Such variation in talk about merit is not unique; other studies of comparably complex and ubiquitous terms like diversity and love find significant variation in how people understand and use them. For example, Bell and Hartmann’s (2007: 895) study of talk about diversity found similar variation. As they observed, “few words in the current American lexicon are as ubiquitous and ostensibly uplifting as diversity [but] the actual meanings and functions of the term … are difficult to pinpoint.” They go on to “explore popular conceptions of diversity” (Bell and Hartmann 2007). Tavory and Swidler (2009) posit that, in Africa, the various meanings ascribed to sex and love intersect in ways that discourage the
adoption of condoms. They proceed to unpack the “axes that organize how people talk” about condom use (Tavory and Swidler 2009: 171).

Similarly, we sought to unpack the ways in which managers’ definitions of merit vary. Specifically, our data reveal that managers’ perceptions of merit vary along three dimensions—what is being evaluated, how merit is assessed, and who is the unit of analysis. Table 3 presents data on each of these dimensions.

[Table 3 about here]

1. What Is Being Evaluated

The relative importance of what is acquired and what is achieved in accounting for individual differences has long occupied social scientists, especially sociologists (for early discussions of these concepts, see, e.g., Davis 1950; Parsons 1951). Typically, achievement refers to some kind of socioeconomic position or success that a person can achieve on the basis of skills or efforts. What is acquired or intrinsic, in contrast, tends to be associated with learned and acquired abilities, or even traits beyond an individual’s control. In our analysis of the interview data, we found evidence of a tension between acquisition and achievement in managers’ descriptions of what merit consists of. Generally speaking, the spectrum of managers’ responses ranged from specifying particular work actions that define merit to naming innate capabilities or personal qualities as manifestations of merit.

At one end of the spectrum, managers stressed that work actions, often characterized as “performance” or “effort”—what individuals do or concretely achieve, such as how one is doing the job and how hard one is working—are central to the definition of merit. The idea here is that, regardless of individuals’ “natural endowments” or innate capabilities, only their work actions and performance contribute to their merit. For example, one manager said that “there's merit in you doing your job and doing it well, or doing it moderately well or almost well,” and in “going above and beyond” (#1310). Similarly, another said that “merit would be more about effort … [and] applying those talents. So you might have those talents but then decide not to apply them, … [then] you are not putting merit to work.” (#1302). Many managers stated that a key factor in merit is how well individuals perform in their jobs—for example, the product manager who launches a successful new product, the salesperson with the
highest sales, and the programmer with the best quality and quantity of code are all meritorious (#1310).

At the other end of the spectrum, merit was defined in terms of innate “God-given” personal qualities, such as “passion” and “intelligence” and “charisma,” as well as skills that one could acquire through practice, such as “technical skills,” “social skills,” and “empathy.” In one manager’s words, “Intelligence or charisma is a form of merit in and of itself, right, … because … not everybody has it” (#1001). Another manager defined merit in terms of being “smart” and being able to think “out of the box, … [people] who don't want to follow a normal way of thinking. They basically think ahead, and they think futuristically” (#1309). A third manager characterized merit as being “self-motivated … like you could manage yourself, you could go out and say, ‘Okay. I see a problem, I'm going to come up with a solution and enact it, get my colleagues to come along with me’” (#1009). Another defined talent at one’s job, such as having a flair for programming, as merit (#1027). One interviewee summed up this perspective: “I think there's certainly brilliance in terms of God's gift. ... Some people are born brilliant and some people are not so brilliant. … When that brilliance is coupled with a drive—intense drive—I think it’s merit” (#1305).

Thus managers varied strikingly in the extent to which they incorporated work actions and/or personal qualities into their understandings of merit. Apart from this variation in what managers considered as merit, they also varied in how they believed merit should be assessed, described below.

2. **How the Evaluation is Performed**

The past two decades have witnessed frequent debate in the popular press about whether merit is an objective or a subjective concept (e.g. Rosener 1997). Our interviewees recapitulated these debates.

Some managers asserted that merit should be evaluated completely objectively. They typically stressed the existence of organizational rules (specific systems of practices, procedures, and routines) whose goal is to ensure that merit is properly recognized and rewarded. As one manager commented, “People who come from a management background love to have a single metric or ratio to drive [evaluation]” (#1307). These managers endorsed evaluating merit by means of these rules, which can be quantitatively measured. One manager declared that “[merit is] the business brought [by employees
measured through] very quantifiable numbers” (#1014). Some mentioned specific metrics or criteria, such as GPA, used to evaluate potential hires (#1021), and the importance of reducing “20 different things” to “one metric” in making promotion decisions (#1307). Some described formal review processes, such as semiannual “calibration discussions,” in which they assessed subordinates and provided them feedback (#1008 and #1301). Finally, some managers described corporate policies defining how merit was to be evaluated. Such policies clearly articulated the rules for advancement, such as time spent at work or seniority requirements (#1008 and #1004). They even specified career tracks—such as “the managerial track,” “the individual contributor track,” and “the distinguished technologist track”—and the policies that governed evaluation of merit in each track (#1311).

At the other extreme, we found subjectivity in the definition of merit. Some managers emphasized that, as one put it, a “lot of it isn’t some math” (#1302). For example, one manager said, “I work in a more creative side of the world, where it's a lot harder to evaluate … and there is a measured amount of subjectivity … Sometimes … inspirations are just the thing that is the most valuable to the business, in this kind of a scenario. You've got moments where a casual, offhand comment changes the way that you're building all your servers, and all of a sudden everybody's twice as effective because of that insight. I realize that's an outlier, a data point that you cannot predict. Nor can you say, ‘And have one inspiration every three months,’ but you have to take that into account as well in evaluation. So there's all kinds of fuzzy involved.” (#1310) Similarly, managers with finance backgrounds pointed out that investment bankers, for example, can be measured by several objective performance measures, such as fees generated and overall revenues, but that most investment banks subjectively assess other factors, such as contributions to customer satisfaction (#1028; also see Eccles and Crane 1988).

Similarly, other managers described merit as open to interpretation. They described that organizations often use ephemeral jargon to define merit—fashionable but ambiguous terms like “professionalism” and “achieving customer satisfaction.” Such concepts are not easily measurable and thus open to interpretation. Some managers described how merit is rendered concrete only when defined and implemented by particular powerful individuals in the organization. These managers concluded that the
definition and evaluation of merit is invariably subjective and left to the discretion of the manager. As one respondent stated, “Yes, it's completely at the discretion of the boss. … Yes, like 100 percent” (#1008).

In sum, managers’ opinions about whether merit should be evaluated objectively or subjectively varied considerably. Finally, in addition to variation in what managers consider as merit and how they believe it should be assessed, we also uncovered variation in who managers thought should be the focus of evaluation.

3. Who Is the Unit of Analysis

The third dimension along which definitions of merit vary in our interviews is specification of the appropriate unit of evaluation: the individual or the group. Great progress has been made in the literature toward a better understanding of individual versus group processes in work organizations (see, e.g., Neale, Mannix, and Gruenfeld 1998; Neale, Mannix, and Phillips 2008). In our interviews, too, we found that this key difference between individual and group processes plays a role in managers’ understanding of merit. At one end of the spectrum, managers asserted that employees should be evaluated individually, one at a time. Scholars have argued that such an individualistic definition of merit offers the advantage that it cannot be exploited by free-riders (Holmstrom 1982). Some managers referred to the individual as the main unit of analysis when defining merit, and focused on each individual’s opportunity to rise in the company. One manager stated, “merit is about … develop[ing] your own brand and PR campaign to support it, and to break yourself out of the masses” (#1302). Another said, “There are the guys who I want in the next level because I know [that, though] they don't know what it takes to succeed in the next level. … I'm darn sure they're going to learn it on their own individual merit” (#1305).

At the other end of the spectrum, managers noted the teamwork-oriented nature of organizational work today and argued for assessing individual merit in a collective context. Some managers believe that evaluation of merit should be group-based: The pie should be split equally among members. “With regards to being a ‘caring meritocracy,’ I think [my firm] probably did a better job than most organizations,” one manager said. “They [didn’t] want it to be like a cutthroat environment where people are stabbing each other in the back to get ahead. … They wanted to promote a culture where people are
cooperating, I would say, … [where] people will collaborate and people will help each other out, and that defines merit” (#1000). Another said, “Well, I mean, I think one way to define merit is to what extent do people behave in a way that's good for the group, right? Or the organization or whatever, right? So, you could say that the more people exhibit behavior that's good for the group, then the more merit they have” (#1001). Thus managers disagreed about the appropriate unit of analysis for evaluation of merit: the individual alone or the individual as part of a larger whole.

Specific versus Broad Approaches to Evaluating Merit

The breadth and diversity of the sample we used in our first round of coding—which represented many industries, occupations, and companies—raised the possibility that the variation we found in understandings of merit along three dimensions (what, how and who is being evaluated) stemmed from sampling diversity. In our next round of analysis, therefore, we focused on Samples 2a (n=11) and 2b (n=56), which consisted of interviews with and reviews written by managers at a single company, Bay Area Corp, to assess whether (a) variation in understandings of merit persisted and (b) whether clusters of understandings of merit could be identified in a conservative sample of managers at one single organization.

Bay Area Corp strongly advocates for a focus on merit in decisions about employees. The firm predominantly hires engineers; in the online reviews that constitute our Sample 2b, managers described Bay Area Corp as having an “engineering culture” (#1508) that tends to be “open” (#1515) and “transparent” (#1536). Some managers appreciated the “work environment” (#1516) and “benefits” (#1507); others complained about “politics” (#1549) and the attitudes of “senior management” (#1534). Almost 75 percent of managers in this sample stated that they would recommend the company to their friends; they awarded it an overall rating between 3.5 and 4 (out of 5). The company’s headquarters is in Silicon Valley, where all our interviews took place.

Our analysis revealed that personal definitions of merit varied among managers at Bay Area Corp just as they did among managers in our broader sample: Some managers advocated focusing exclusively on employees’ work actions while others favored considering employees’ personal
qualities as well. Similarly, managers articulated both objective and subjective understandings of merit. Some defined merit exclusively at the individual level; others also considered the broader team or organization. Our analysis also found two clusters in personal definitions of merit—two configurations of what, how, and who to evaluate—that result in two distinct approaches to evaluating merit.

Probing data to find clusters is a common analytical approach to qualitative data, particularly in studies of cultural-meaning structures (see, e.g., Mohr 1998). There are many methods of clustering (including MDS and QCA), all of which seek to group items according to an algorithmic principle for deciding which are most alike, given an input matrix of item-by-item similarities (see, e.g., Ragins 1987, Ragins 2008, Ventresca and Yin 1997, Mohr 1998, Fiss 2011, Tavory and Timmermanns 2013). Given the small n of sample 2a (n=11), we used a manual approach: We considered the 11 managers one by one, to identify where each was positioned along the what, how and who dimensions of merit. The results of this coding appear in Table 4, Panel A.

Our data reveal two distinct clusters: a specific cluster representing objective evaluation of employees’ work actions alone, at the individual level, and a broad cluster representing objective and subjective evaluation of both work actions and personal qualities, individually and as part of a larger team. Of the 11 managers in Sample 2a, seven subscribed to the specific approach and four subscribed to the broad approach. In Table 4, those who subscribed to the specific approach appear in light gray, those who subscribed to the broad approach in dark gray. We classified one manager in Sample 2a as subscribing to a specific approach but deviating slightly from the prevailing pattern by understanding merit at more than just the individual level; this instance is represented in white in Table 4.

Table 5 presents data representative of the two approaches. In particular, we describe that the specific approach consists of “delivering” and “achieving goals” where the focus is on a “specific person” (rather than a group) and the evaluation is measured using a narrow barometer. In contrast, the broad approach is almost defined in opposition to this understanding of merit because, as one manager pointed out, “There are problems with any metric or ratio” (#1307). Instead, the broad approach consists of evaluating
“performance” and “intangible qualit[ies]” with an emphasis on how individuals “work by themselves” and “communicate with their team” and the evaluation is conducted “in a multi-faceted way” with managers considering “subjective factors” as well.

[Table 5 about here]

Next we wanted to determine whether there was face validity to these two distinct clusters. We turned to Sample 2b (n=56), the qualitative reviews of organizational decision making written by a different set of managers at Bay Area Corp, and coded them one by one. In Sample 2b too, a few managers took a specific approach to defining merit. One said, “30% + growth was a metric I used for performance evaluation” (#1511). Another said, “Merit stems from performance reviews that are objective and related to your performance” (#1521). Other managers critiqued the specific approach, arguing, for example, that “the company is too focused on weekly metric reviews” (#1526). One manager who subscribed to the broad approach asserted that “merit is based on individual effort, business acumen, and dedication to the job or company” (#1532). Another said that “360-degree reviews must be done of tasks, performance and people to evaluate merit” (#1515).

The results of coding the Sample 2b data appear in Table 4, Panel B. Again, as in Sample 2a, we found the specific and broad approaches to evaluating merit. Of the 56 managers in the sample, 26 subscribed to a specific approach and 30 to a broad approach. As in Panel A, we indicate deviations from the clusters’ ideal-types in white: Three managers whom we categorized as having adopted a specific approach understood merit as embodied in both actions and qualities; four managers categorized the same way understood merit both objectively and subjectively. Some reviews were unclear about whether their authors understood merit at the individual level or at the team level; thus there are a few missing data points in the who dimension of merit in Sample 2b.

Sample 2a produced data from a small sample of managers at Bay Area Corp; Sample 2b gave us less detailed data from a broader sample of managers at the same company. The two samples are reassuringly consistent in revealing two distinct approaches—specific and broad—to evaluating merit.
Antecedents of Merit

Having identified two clustered approaches to evaluating merit, we dug deeper into the antecedents of managers’ personal definitions of merit. Here we turned to the imprinting literature (for a review, see Marquis and Tilcsik 2013), which has long argued that prior economic, technological, institutional, and individual influences can leave imprints on managers’ thought, cognition, and behavior. In recent years, many scholars have described the lasting influence of occupational choice on managers’ behavior. Scholars emphasize that, via socialization into an occupation, individuals develop persistent schemas, scripts, and normative assumptions about how work is to be performed. As a result, they acquire not merely skills and knowledge but also a cultural imprint of norms and schemas (Dokko et al 2009; Phillips 2005).

Other scholars have described how early-career experiences exert similarly lasting influence. Shoar and Zuo (2011) show that managers who began their careers during a recession tend to make more conservative decisions as CEOs than do those who experienced a more favorable economic climate. Similarly, the degree of financial risk prevalent during mutual-fund managers’ early careers shaped their long-term inclinations toward external or internal venture formation (Kacperczyk 2009). And Tilcsik (2012) argues that an organization’s level of resource abundance at the time of an individual’s entry has long-standing effects on his or her behavior.

We too found that managers’ understandings of merit are shaped by their occupational choices and by their early-career experiences as employees. A discussion of each of these influencing factors follows.

1. Occupational Choice

Our data suggest that occupational choice represents individuals’ starting point for understanding merit. Table 6 presents data that illustrate how occupational choice affects managers’ understanding of merit. Some managers reported that their occupational choice had prompted them to think about merit systematically. One manager, describing her entry into the engineering profession, said, “So I think, [merit] is more industry- or function-specific …. Different functions maybe, like engineering, are different … So it's more of, like, an unspoken truth to learn” (#1002). Another manager, describing his
profession, said, “Merit in finance is not such a straightforward thing, right? I mean, when everyone who's working there is like extremely smart, everyone knows exactly what they're doing … Who should get a given opportunity?” (#1005).

[Table 6 about here]

Occupational choice also exposed managers to their first impressions of “good, meritorious work,” especially at a theoretical level. A journalist-manager said, “I think that starting out [as a journalist] … there's a commitment to, maybe, higher-quality journalism … What can this person accomplish, or what does his writing sound like? … That’s merit.” (#1033). He continued, “[Before] you enter organizations … [you don’t know that] they want you to have a certain number of stories that get within this range of clicks … It’s more abstract” (#1033).

In short, as managers are socialized into an occupation, whether via formal or informal training or by mentors, they are exposed to the prevailing concept of merit and to ideas about excellence.

2. Early-Career Experiences

Managers’ early-career experiences as employees subject to evaluation also shaped their understanding of merit. In our coding of the data, we observed that managers typically described a variety of personal experiences of evaluation, and then discussed how they perceived the outcomes of those evaluations and how those experiences had refined their understandings of merit.

Three kinds of evaluative and selective processes, repeatedly mentioned in interviews, are also widely discussed in the literature on merit and merit-based practices: hiring, promotion, and reward decisions (see, e.g., Castilla 2008, 2011; Castilla and Benard 2010; Fernandez and Fernandez-Mateo 2006; Rivera 2009, among many others). Managers discussed, for example, “getting hired” and “switching to a new role,” “merit-based raises” and “merit-based rewards,” and “getting promoted for merit” or “meriting a promotion” (#1010, #1310).

Managers described having perceived their evaluations as either fair or unfair. One manager reported that, while seeking a job in Asia, he had experienced a series of unfair evaluations. In Asia, he said, “The person who came from MIT definitely had more … credit … than people coming from Wesleyan, for
example … even though … Wesleyan is pretty well reputed in the United States, right?” (#1018). A graduate of Wesleyan, he experienced many rejections that he perceived as unfair. By contrast, another manager described having been hired as “employee number one” at a new venture as a fair experience. He explained that his boss “who was the founder and CEO … knew exactly what he wanted … [and] the kind of people he wanted” and paid little attention to other considerations (#1014).

Further, we uncovered that as managers emerged from each of these evaluative experiences in their careers, they refined their understandings of merit. In particular, depending on whether the experiences were perceived as fair or unfair, we noted two specific kind of reactions: “ruling in” certain factors as merit and “ruling out” others as components of merit. The typical pattern that we observed was that future managers who experienced what they considered fair outcomes of evaluation ruled in to their understanding of merit the factor that they believed had elicited the desirable outcome. Conversely, when a future manager experienced a subjectively unfair evaluation, he/she ruled out from their understanding of merit the factor that they believed had prevented the desired outcome.

For example, a manager at an architectural firm described having been promoted, fairly and deservedly, after making “a good connection with [his] client.” He explained that “the principals literally decided [that] … they liked me, so they fast-tracked me … So it really came down a lot to the principals deciding” how to define merit, at their own discretion (#1031). Contemplating this evaluation experience, which he perceived as fair, he mused: “How do you tell who is a good architect? It’s very subjective. … There is no one definition of a good architect. … There are good designers. … There are people who have a very wide technical understanding of how to build buildings, … and then there are people who are good at, like, the project-management roles.” Having been legitimately recognized for something “quite intangible,” he ruled in subjective evaluations into his understanding of merit.

Another manager, having beaten out the “genius” front-runner for a job and perceived this outcome as fair, concluded that “those who really work their way through a problem and understand the underlying question … they were the better, more meritorious scientists … [as compared to the] guy who was really, really good at building things but wasn’t super organized” (#1310). This manager ruled into his definition
of merit factors such as working your way through a problem and being organized, thus refining his understanding of merit.

Table 7 offers four more examples of how future managers progressed through this three-stage process, in which their experience of having been evaluated later influenced their understanding of merit. One manager ruled in work experience; another ruled out personality assessment; a third ruled in hours worked; a fourth ruled out subjective evaluations, all in response to personal evaluation experiences that they considered fair or unfair.

[Table 7 about here]

The Full Process Model

This section pulls together several individual factors into a process model of merit, depicted in Figure 1. The model outlines how a manager comes to define and approach the evaluation of merit.

[Figure 1 about here]

The model considers three phases in a manager’s life: (1) prior to entry into the labor market, (2) after entry into the labor market but before promotion to management, and (3) after promotion to management. The main variable explained by the model, a manager’s personal definition of merit, is represented in boldface in Figure 1. The components of the model should be familiar to readers from Tables 3, 5, 6, and 7.

The model depicts how a manager’s personal definition of merit is jump-started by initial occupational choice and continually refined by experiences of being evaluated as an employee, prior to advancement to a managerial role. Our data show that occupational choice exposes an individual to the concept of merit and provides a theoretical starting point for understanding merit. The model then depicts how each evaluation that an individual experience as an employee iteratively affects his/her understanding of merit. An employee is likely to encounter a series of hiring, promotion, and reward evaluations, whose outcomes are perceived as fair or unfair. Depending on the outcome, the individual then either rules in the decisive factor into his/her definition of merit or rules it out. Our data suggest that the factors ruled in or out are, specifically, those that the individual believed to be decisive in past
personal evaluations. If an evaluation is perceived as fair, the individual is likely to rule in the factor that he/she believes to have been decisive; conversely, when the evaluation is perceived as unfair, he/she is likely to rule out the decisive factor. In this way, individuals continue to refine and update their personal definitions of merit.

Our model specifies that this evolving definition of merit possesses three dimensions: what is being evaluated, how the evaluation is performed, and who is being evaluated. In the course of the iterative process described above, we argue, individuals gain clarity on how they define and understand merit. Thus, when an individual joins management and begins to make merit-based decisions about employees, he/she has already developed an approach to evaluating merit.

Our data helped identify two important clusters in managers’ personal definitions of merit that result in two distinct approaches to evaluating merit. The first approach, a specific approach, consists of evaluating just the work actions of employees, objectively and focused just on the individual level. The advantage of this approach is the limited source of bias that seeps into the decision-making process as the evaluation is clearly specified and there is no room for interpretation or discretion. The second approach, a broad approach, consists of evaluating both the work actions as well as the personal qualities of employees, where the evaluation is performed both objectively and subjectively, and where the individual is considered alongside their position in their broader team. The advantage of this approach is that an employee can be evaluated more holistically —factors that are hard to measure but are important can be taken into consideration in evaluating merit. Thus, neither the specific nor the broad approach is significantly better than the other for the evaluation of merit, but the two approaches can have dramatically different implications for the subordinates being evaluated.

By depicting the process of coming to an understanding of merit and shedding light on the key antecedents to a personal definition of merit, our model explains how different managers arrive at vastly different understandings of merit. It also identifies two clusters in managers’ personal definitions of merit that result in two distinct approaches to evaluating merit. We did not collect data on employment outcomes for employees evaluated by these managers, but we suspect that the specific and broad
approaches to evaluating merit have different effects on employees’ careers.

Table 8 illustrates the content of the model more vividly by depicting how one manager from Sample 2a (#1310) progresses through the process model to arrive at a personal definition of merit and an approach to evaluating merit. (It goes without saying that our analysis is limited to the experiences and evaluations that the individual in question chose to talk about.) Prior to entering the labor market, this individual, by virtue of his occupational choice, computer science, began with an understanding of merit as “being rewarded for using your skills to the highest and best ability.” Upon entering the labor market as an employee, he experienced two evaluations he considered fair and one he viewed as unfair. The two fair evaluations, both hiring decisions, led him to rule in “subjectivity,” and “insight” as components of merit. The unfair evaluation, a promotion decision, led him to rule out “personal interactions” as a criterion for evaluating merit. After experiencing these evaluations, he understood merit as “more about recognizing [whether] what [one is] achieving is important to the company.” Note that this definition represents a distinct evolution from his starting-point definition rooted in “skills” and “best ability.” In sum, this manager described adopting a broad approach to evaluating merit “in a multi-faceted way.”

[Table 8 about here]

**Heterogeneity by the Race and Gender of the Manager**

In the final stage of our analysis, we looked for patterns in how managers from the demographic majority group and from minority groups approach evaluating merit. Prior research on gender and leadership (Carly and Eagly 2001, Ranganathan and Shivaram 2017) and on race and leadership (Bass 1990, Ospina and Foldy 2009) suggests that women and racial minorities often adopt different managerial practices and leadership styles than do white male managers. For example, women have been shown to adopt leadership styles that are more democratic and transformational than those of their male counterparts (see Eagly and Johnson 1990, Eagly, Johannesen-Schmidt and van Engen 2003). Similarly, members of racial minorities in leadership positions are less likely to support harsh discipline (Shull and Anthony 1978) and more likely to behave considerately (Bass 1990, 2008) than their racial-majority counterparts. We therefore expected the white male managers in our sample to approach the
evaluation of merit differently that non-white male and female managers.

To gain traction, we returned first to Sample 2a, which consists of 11 interviews of managers at Bay Area Corp, and then to Sample 1 (n=41) to test predictions emerging from the Sample 2a analysis. Note that Sample 2a is our most conservative sample of managers within the same organization, all of whom began as engineers. Analysis of the Sample 2a interviews had earlier revealed the existence of two clusters in managers’ understandings of merit that produced two very different approaches to managing merit: specific and broad. Returning to this sample, we paid close attention to demographic characteristics.

We were surprised to find that six of the seven managers coded as using a specific approach were women or racial minorities; only one white male manager employed a specific approach to evaluating merit. In contrast, all four of the managers who used a broad approach to merit were white men. These numbers are indeed small, but the pattern was quite stark. It is depicted clearly in Table 9, Panel A.

[Table 9 about here]

Next we wanted to determine whether demographically different managers arrive at their understandings of merit differently. Relying on the labor-market and workplace-inequality literature, we focused on the personal experiences of being evaluated discussed in the interviews and the outcomes of those evaluations. Prior research shows that women and racial minorities tend to experience less fair workplace outcomes, on average, than do white men (see, e.g., Castilla 2008 and Dencker 2009 for a review of such studies). Many studies show that women and racial minorities occupy lower-paid and lower-quality jobs due to biases that seep into the processes of hiring, promotion, pay, termination, and job design (Petersen and Saporta 2004; Kmec 2005; Fernandez and Fernandez-Mateo 2006; Skuratowitz and Hunter 2004; Antebby and Chan 2015). Other studies have found that workplace inequality persists even after adoption of affirmative-action and diversity policies (Kalev, Dobbin, and Kelly, 2006) and certain popular team and cross-training arrangements intended to reduce bias (Kalev 2009).

We wanted to determine whether the women and racial minorities in Sample 2a had described their

10 Of the 11 managers in this sample, five were white men; the rest were women or members of racial minorities.
evaluation experiences as having been unfair, and if so how they had subsequently refined their understandings of merit.\textsuperscript{11} To do so, we coded all the evaluations mentioned in the interviews, de-identified them, and had an independent research assistant (who had not previously been involved in the project and was unaware of its objective) code whether each evaluation was perceived as fair or unfair. Independently, we also coded the evaluations ourselves; we found consistency between the research assistant’s coding and our own.

The results of this analysis appear in Table 9. In total, 14 evaluations were mentioned in the 11 interviews. (One manager mentioned no evaluations, seven mentioned 1, one mentioned 2, and one mentioned 3). The white male managers described 6 fair evaluations and 1 unfair evaluation; the women and racial-minority managers described 1 fair and 6 unfair evaluations. Thus, in keeping with the prior literature on workplace inequality, we too found that white men perceived more of their evaluation experiences as fair, on average, than did women and members of racial minorities.\textsuperscript{12}

The process model in Figure 1 posits that, as a result of experiencing fair or unfair evaluations, managers refine their understandings of merit by either ruling in or ruling out particular factors. We predicted that subjectively fair evaluation outcomes would result in ruling in factors, ultimately leading to a broad approach to evaluating merit, and that unfair outcomes would result in ruling out factors, ultimately leading to a specific approach. As a final step, we coded how individual managers’ understandings of merit changed after having experienced a particular evaluation. Again, Table 9, Panel A, presents the results. We find that, on average, white male managers experienced more subjectively fair outcomes, then ruled in pertinent factors, and ended up adopting a broad approach. By contrast, women and racial-minority managers experienced more subjectively unfair outcomes, ruled out

\textsuperscript{11} We are sympathetic to the possible objection that, unlike prior investigations of actual fairness in employment evaluations, we are investigating perceived fairness. However, we expect actual and perceived fairness to go hand in hand. We also contend that perceptions of fairness are just as important as objective fairness. \textsuperscript{12} There could exist some selection in the evaluation experiences that managers chose to mention. It is our impression, however, that the interviewees described the evaluations that they perceived as most salient in their careers and thus most influential in shaping their understandings of merit. As we will discuss later, future research should study how managers from different demographic groups differ in their choices of evaluative experiences to mention when talking about their career paths.
pertinent factors, and ended up adopting a specific approach. We depict these trajectories in Figures 2a (white male managers) and 2b (non-white male and female managers).

[Figures 2a and 2b about here]

Consider manager #1310, a white male manager from Lafayette, California. He described a hiring evaluation that he perceived as fair. He was offered the job because of his connections and likeability, and described this as a legitimate and productive way to find jobs. He said, “I will claim, yes, that I am fantastic at identifying those hiring opportunities [through networks]. … I have very few complaints. … It looks like I have perfect timing.” When describing how this hiring outcome had influenced his understanding of merit, he said, “[In] doing hiring and promotions … who actually has the best skills? … I'm not sure there's ever an awareness of who has the best skills for things. … Instead merit, for me, is … so, it values the subjectivity … In my opinion, [it’s] a balance between ‘I understand the numbers’ and ‘I understand the feelings.’” As a result of this hiring experience, he incorporated subjectivity into his understanding of merit. This experience, combined with two similar evaluation experiences, ultimately led this manager to his broad approach to evaluating merit.

In contrast, consider #1303, an Asian-American female manager who had lived in Massachusetts before moving to California for work. She described a promotion evaluation that she had perceived as unfair: “People make different decisions based on the gender of the individual. … [It’s] an impacting factor because women tend to be more gentle and not that outspoken, and then that's a disadvantage. … They may see like you are not driving things, right? ... Yeah, because then you just follow instructions and don't really make a change, but for men, because of their ... Yeah, for men, most of them are more outspoken, I would say. So then they get a better chance. … Women like me have less chances to get promoted precisely because of this.” This manager attributed the unfair outcome to her gentle nature. When describing how this evaluation had affected her, she said, “A lot of factors will impact how you

13 White male managers in Sample 2a ruled in factors (such as “passion,” “insight,” and “subjectivity”) six times and ruled out only one factor (“strength of personal interactions”). In comparison, the women and racial minorities ruled out factors (such as “outspokenness” and “personal relationships”) five times but ruled in factors (“communication” and “adherence to goals”) twice. In only one instance, despite having experienced an evaluation as unfair, a racial-minority manager ruled in a factor (“communication”). We attribute this unique response to idiosyncrasies in this manager’s career.
make a decision. But then sometimes you just have to look at the basic, what's the right thing to do, based on the merit. I do feel that … don't think the promotion should be based on … if your voice is louder … It should just be based on what you have delivered.” Thus, this manager ruled out “assertiveness” as a factor that should be considered in assessing merit, and ultimately adopted a specific approach to evaluating merit.

Having uncovered these results in Sample 2a, we analyzed Sample 1, consisting of 41 interviews, to learn whether these findings persisted in a larger, more diverse sample. The results of this analysis appear in Table 9, Panel B, and broadly mimic the pattern we found in Sample 2a.

**Discussion and Contributions**

Merit and the ideal of meritocracy are at the heart of organizational life. Yet little is known about how managers come to define merit and approach the evaluation of merit in the contemporary workplace. This paper offers, for the first time in the literatures on organizations, employment, and workplace inequality, a *process model of merit* that identifies the antecedents of managerial understandings of merit. Our interview and online-review data from a diverse sample of managers reveals that, in contrast to the notion that merit is a consistent, clearly defined concept, managers in fact vary in their personal definitions of merit along three dimensions: what is being evaluated, how the evaluation is performed, and who is the unit of analysis. We found two main clusters of what, how, and who to evaluate merit: a *specific* approach, whereby employees’ work actions are evaluated objectively at an individual level, and a *broad* approach whereby employees’ work actions and qualities are evaluated both objectively and subjectively, at the individual level and at the group level. We also found that managers derive their personal definitions of merit from prior personal experiences as subjects of evaluation themselves. Finally, we uncovered that white male managers are more likely to adopt a broad approach to evaluating merit than women and racial minorities.

**Implications for Organizations and Workplace Inequality**

Our study makes four contributions to the study of merit in organizations. First, though the organizational, employment, and workplace-inequality literatures generally assume the concept of merit
to be consistent and well defined in a given organizational setting, we documented significant disagreement in different studies’ definitions of merit. Our conceptual framework specifies the dimensions along which managers themselves portray merit, thus rounding up the often-contradictory definitions used in the literature into a schema for categorizing managerial conceptions of merit. Our study shows that merit can no longer be considered a universal taken-for-granted distributing principle in organizations, thus contributing to a stream of work aimed at unpacking complex terms that are overused in corporate discourse (Tavory and Swidler 2009, Bell and Hartmann 2007).

We thus urge scholars of labor market outcomes and workplace inequality to pursue further quantitative and qualitative investigations of the meanings of merit for different managers in specific organizational contexts. We see particular value in in-depth managerial descriptions of how merit is assessed, who the unit of analysis is, and what constitutes merit in particular organizations. Thus our study expands the stream of research studying workplace inequality aimed at “bringing managers back in” (see Reskin and Padavic 1988; Reskin and McBrier. 2000; Briscoe and Kellogg 2011; Castilla 2011).

Because our study reveals that understandings of merit can vary within a single organization (i.e., among individuals in the same organizational structure and culture), we also see value in further investigating a hypothesis—lack of agreement in managerial understandings of merit—that could help explain variation in employment outcomes by employee demographic characteristics documented in prior studies of merit-based decision-making (e.g., Petersen, Saporta, and Seidel 2000; Roth 2006; Castilla 2008). We leave systematic testing of this hypothesis to future research. Our study stresses, however, that care should be taken not to assume a uniform understanding of merit across an organization, and that, whenever possible, managers should be surveyed to capture their personal definition of merit.

Second, to our knowledge, our study, is the first to investigate the antecedents of merit in depth, and to specify how managers come to understand merit. This work contributes to the existing literature, which has largely taken the antecedents of merit for granted while focusing on the impact of evaluations of merit on employee-level outcomes (Jackson 2001, 2007; Castilla 2008, 2011). We showed that
managers are not blank slates in how they interpret merit. Drawing on the imprinting literature (Marquis and Tilcsik 2013), we found that managers’ occupational choices and prior experiences as subjects of evaluation significantly affect their later definitions of merit. As illustrated in the process model in Figure 1, managers rule in or rule out particular factors as components of merit depending on the outcome of their own prior evaluations, and continually refine their understandings of merit over time until they take on the role of a manager.

Third, we identified two clusters in managerial understandings of merit and discuss the pros and cons of each, thus suggesting that there may be no ideal way to define merit. Influenced by cluster analyses reported in prior work (see, e.g., Ragins 1987, Ventresca and Yin 1997, Mohr 1998, Fiss 2011, Tavory and Timmermanns 2013), we found a specific approach and a broad approach to evaluations of merit. We see our work as a first step in the quest to fully map definitions of and approaches to merit, and look forward to future analyses of different populations of managers, which may identify different clusters.

Finally, we looked for heterogeneous understandings of merit, and approaches to evaluating merit, among members of different demographic groups. Here, we were inspired and informed by the gender, race, and labor market literatures, which have long shown that male and female managers, and black and white managers, approach their jobs differently (see, e.g., Eagly and Johnson 1990, Ospina and Foldy 2009). In our data, we found that white male managers adopted a broad approach to merit while women and racial minorities adopted a specific approach. Our data further revealed that this pattern stemmed from white male managers’ tendency to rule in various factors into evaluations of merit in the wake of positive early-career outcomes they perceived as fair; in contrast, non-white male and female managers tended to rule out of consideration factors they blamed for unfair past outcomes.

This finding has crucial implications for future research on workplace inequality. The role of merit-based practices in the unequal distribution of rewards and opportunities in the workplace has been documented, but our study is the first to suggest that inequality in the workplace affects how merit is understood and approached by managers. This is an important contribution, especially given the increasing representation of women and racial minorities in management. Awareness of the potential
effects of workplace evaluations on individuals’ appraisals of merit opens up a new line of inquiry. More broadly, processes like that illustrated in our process model of merit could account for variation in “talk” about other key components of corporate discourse, such as inclusion, opportunity, and diversity (see, e.g., Berrey 2015; Kaplan 2015; Castilla 2016; Dobbin and Kalev 2016; Posselt 2016, among many others). Tracing the antecedents of such managerial talk could help shape successful new approaches to addressing inequality and unfairness in the workplace.

**Directions for Future Research**

Our research is, to our knowledge, among the first attempts to use qualitative data to investigate managers’ understandings of merit. Inevitably, however, our study has limitations. First, though interviews are useful for eliciting informants’ “offline” discursive views, whether such discourse is in fact implicated in managerial action and decision-making remains open for future investigation. This issue has been reopened in recent methodological debates about the relative virtues of “talk” and “action” (DiMaggio 2014; Jerolmack and Khan 2014). Even at the level of discourse, a key consideration in our methodological approach is whether we are accessing what are called “first-order” or “third-order” beliefs (“understandings” or “perceptions”). We consider our approach both novel and useful, but we call for more observationally intensive research strategies to resolve the talk-versus-action issue and the first-order-versus-third-order beliefs issue.

Second, our managers volunteered information about some employee-level evaluations and not others. Though this pattern raises questions about “missing data,” identity-as-narrative psychology suggests that what one remembers, chooses to talk about, and incorporates into one’s life story is what ultimately matters (McAdams 1996). Furthermore, collecting an account of every single early-career evaluation that a manager experienced would require future managers to keep diaries for many years or entail multiple interviews over time. Such approaches are potentially useful in future work, and offer the added benefit of avoiding retrospection, but we consider our interview-based approach a productive first step that offers genuine insight into how managers come to understand merit.

This study investigates the “talk of merit.” Focusing on talk is likely to overlook how merit is
portrayed in, for example, organizational documents and communications. Thus we recommend that future research analyze other kinds of texts, such as performance-review forms, employee manuals and training documents, job descriptions, and reward announcements, to capture how merit is written about in the organizational context. Doing so could also help scholars of organizations and employment extend our process model of merit from the level of the individual manager to that of the organization. For example, differences in how particular performance-reward system practices are discussed could have implications for how merit is evaluated and rewarded in different organizations.

Finally, expanding the size of Sample 2a—the interviews with Bay Area Corp managers—would have been desirable. The organization placed limits on how (often) we could recruit interviewees, and on the number of interviews we could conduct. Instead we supplemented Sample 2a with Sample 2b, consisting of online reviews written by managers at the same organization. We also recognize a possible shortcoming of Sample 1—as MBA students, these individuals were not embedded in their organizations at the time of the interview and thus might have taken it less than seriously—but we posit that any resulting detachment could have made them better able to reflect on their occupational choices and experiences as employees.

These limitations notwithstanding, we think that our research can be productively extended in several ways. First, we call for future studies to collect longitudinal data on evaluation processes pivotal in employees’ careers—including rewards, promotions, transfers, and termination decisions (see DiTomaso et al. 2007; DiTomaso 2013) with the goal of continuing investigating the meanings of merit for different managers in specific organizational contexts. Collecting data on individuals over the course of their employment and advancement into managerial roles could further develop our arguments.

Second, given how challenging it is to observe and collect data on actual employment decisions, we were unable to directly test the link between managers’ approaches to evaluating merit and the distribution of outcomes among their employees. One promising approach would be to conduct in-depth field studies (akin to those of Petersen, Saporta, and Seidel 2000; and Castilla 2008) in which managers’ understandings of merit (measured via surveys or semi-structured interviews) are used to predict
demography-based variation in the careers of their employees. Similarly, we see value in carefully designed laboratory/field experiments in which randomly assigned managers (with different understandings of merit) participate in the evaluation and compensation of comparably-performing employees with different demographic characteristics (see, e.g., Castilla and Benard 2010; for a review of field experiments in labor markets, see also, e.g., Pager 2007; Pager, Western, and Bonikowski. 2009).

Third, as our research shows, the concept of merit is not a uniformly understood distributive principle. Furthermore, demographically different managers approach the evaluation of merit differently. Studying the relative relevance of particular dimensions of merit to specific organizational contexts could expand the contribution of our study. For example, a relevant empirical question is whether the structure of a company, or even of the particular company unit in which a manager is embedded, shapes how merit is understood. It would also be useful to investigate the extent to which different organizational contexts, characterized by varying degrees of ambiguity about how merit is measured, influence the understanding of merit (see, e.g., Rivera 2012).

Finally, our study offers practical lessons on the use of merit as a metric in the workplace. Our process model of merit stresses the importance of careful attention to how merit is operationalized in order to encourage successful design and adoption of a variety of merit-based practices and processes, such as screening and hiring of applicants (e.g., Rivera and Tilcsik. 2016; Castilla 2016), pay-for-performance (Lazear 2000) and performance-based rewards (Elvira and Graham 2002; Castilla 2000), flexibility arrangements (Kelly et al. 2014), diversity initiatives (Dobbin, Kalev, and Kelly 2006; Davidson 2011), and team programs (Kalev 2009). We have shown how critical it is to have a clear, usable definition of merit when implementing such initiatives. We also endorse disseminating such a usable definition of merit to all executives and managers so that merit is applied consistently in employment decisions that impact the careers of individual employees.
References


