Review of Idiosyncratic Deals in Organization: From the Dual Perspective of “i-Dealers” and “Co-Workers”

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Abstract

Idiosyncratic deals (i-deals for short) are personalized employment conditions individual workers have negotiated, which could be used as a tool to manage talent resource. Since the concept was put forward by Rousseau (2001), many related researches about I-deals were carried out by scholars. On the basis of the previous literatures, this article reviews on i-deals’ concept, features, contents and the theoretical basis involved in the i-deals, and then sorts out the latest researches from the perspective of both the i-deals’ recipients and the co-workers, exploring the positive and negative dual effects of idiosyncratic deals. We expect this paper could advance the understanding of i-deals and help us manage talent resource more effectively.

Keywords

Idiosyncratic Deals, i-Dealers, Co-Workers, Literature Review

1. Introduction

Employees increasingly seek to fulfill their personal needs through customized or nonstandard conditions of employment (Lawler & Finegold, 2000). Idiosyncratic deals (i-deals for short) are personalized employment arrangements negotiated between individual workers and employers and intended to benefit them both (Rousseau, 2005). Idiosyncratic deals are regarded as important means to attract, motivate and retain valuable and outstanding employees, which has attracted much attention from academic and practical circles. At present, there have been a lot of discussions and researches concerning the concept, content, influence factors and consequences of i-deals, which have enriched the theoretical research on i-deals and brought good suggestions to the management circle.
However, during the process of introducing i-deals to the HR practices, there are still many serious problems, such as how to guarantee the organization justice during the i-deals implementation, how to maximize the benefit of i-deals in order to achieve a “win–win–win” of all three parties (i-dealer, employer, and co-workers). Most of the existing researches on i-deals only focus on its positive effects on employees and employers, such as employee’s job satisfaction (Ho & Tekleab, 2013; Rosen et al., 2013), work-family conflict reduction (Hornung et al., 2008), and organizational citizenship behavior (Anand et al., 2010), but few studies focus on the negative effects that i-deals may bring to employees and involved co-workers.

Thus, based on the above discussion, this paper firstly expounds the concept of i-deals, then introduces the theories related to the impact of i-deals, and further sorts out the impact of i-deals from the perspective of employees and co-workers. This paper attempts to answer the following questions: what impact will the i-deals bring to employees and co-workers respectively? What are the positive and negative effects of i-deals?

2. Idiosyncratic Deals: Definition and Content

2.1. Definition

I-deals are “voluntary, personalized agreements of a non-standard nature negotiated between individual employees and their employers regarding terms that benefit each party” (Rousseau et al., 2006: p. 978). Four defining features of i-deals are noteworthy (Rousseau, 2005; Rousseau et al., 2006). First, individually negotiated. Employees bargain for personalized arrangements individually, although either the individual or the employer can initiate an i-deal (Liao et al., 2016). Second, heterogeneous. At least some of the terms of an i-deal are specially provided to that individual, differing from conditions created for other employees in similar positions or in the same workgroup (Rousseau et al., 2006). This results in within-group heterogeneity (Klein et al., 1994). Third, benefiting both employer and employee. I-deals by virtue of being negotiated between employees and their employers are intended to benefit them both. The successful result of an i-deal is that an organization attracts, motivates, or retains the services of a valued employee, who, in turn, receives desired resources from that organization. Fourth, varied in scope. The i-deals individuals enjoy vary in scope, from a single idiosyncratic element in a larger standardized employment package to a completely idiosyncratic employment arrangement.

It is worth noting that personalized contracts are different from psychological contracts. Psychological contracts are defined as “individual beliefs, shaped by the organization, regarding terms of an exchange agreement between individuals and their organization” (Rousseau, 1995: p. 9). Similar to i-deals, psychological contracts are linked to exchange theory. It emphasizes the individual employee's subjective belief of what his or her employer has promised in the employment relationship (Zhao et al., 2007). In contrast, i-deals are not inherently perceptual
but are actual work arrangements an individual has negotiated.

2.2. I-Deals: Timing and Content

I-deals take many forms based on their timing and content (Rousseau, 2005). In terms of timing, i-deals can be negotiated either prior to employment, which we refer to as ex ante i-deals, or once on the job, which we refer to as ex post i-deals. The timing of ideal negotiation is associated with differences in the balance of power between the parties, the information they possess about each other, and the frame of references each uses to interpret the negotiation (Rousseau et al., 2009). Expost i-deals occur more often than ex ante i-deals in practice (Rousseau et al., 2006). It may be because ex post negotiation allows both employees and employer to draw upon insider knowledge, prior contributions the parties have exchanged and their relationship history in crafting i-deals. Thus, ex post i-deals can occur more readily because of the more credible signals an employer possesses regarding a worker’s value than existed prior to employment (Lazear, 1981). In contrast, ex ante i-deals are usually granted based on job candidates’ knowledge, skills, ability, and other characteristics reflecting their market value (Rousseau et al., 2006). Hence ex ante i-deals are likely to only for recruits with unique skills or in highly competitive labor markets are needed.

I-deals also can be classified by their content. Content refers to the particular arrangements or resources the i-deal involves. These arrangements vary in scope from a single feature to an entire set of conditions (Rousseau et al., 2006). Their content has been shown to be relevant to a wide range of employment issues like payment, career opportunities, and professional development (Arthur & Rousseau, 1996; Rosen, 1981), customized job tasks (Rousseau, 1995; Miner, 1987), flexibility of working hours, and adaptations to workload (Lee et al., 2000; Klein et al., 2000). Based on findings in hospital and tax administration samples, Rousseau and colleagues (Hornung et al., 2010; Rousseau & Kim, 2006) introduced four commonly occurring types of i-deals:

1) Flexibility i-deals personalize the scheduling of work and allow for a customization of working hours to better fit individual needs and preferences (e.g. personal discretion over scheduling);

2) Developmental i-deals refer to customized opportunities to develop individual skills and competencies and meet personal aspirations for professional or career advancement (e.g. challenging work assignments, individual recognition of performance, special training, career opportunities);

3) Workload-reduction i-deals are used to individually adjust the quantity or quality of workload (e.g. shorter work days, less strenuous tasks);

4) Task i-deals represent “arrangements that individuals negotiate to create or alter their own job’s content”.

Although i-deals can take different forms and have mainly been examined by its content separately, i-deals can be regarded as a single theoretical concept with several distinct but related dimensions (Law et al., 1998). This is consistent with
Edwards’ (2001) notion of an aggregate multidimensional construct with specific content dimensions. What’s more, dimensions of an aggregate construct are not necessarily highly correlated with each other. Thus, employees who obtain one kind of i-deal may or may not receive another one. The negotiation of one kind of i-deal can occur independently of bargaining for another.

3. Underlying Theory to Explain I-Deals’ Effects on I-Dealers and Co-Workers

I-deals theory was initially grounded in social exchange theory (Rousseau et al., 2006). The central tenet of social exchange theory is that individuals tend to reciprocate contributions and favors with partners in a relationship, even when not otherwise required to do so (Blau, 1964). The effects of idiosyncratic deals can be best understood from the perspective of social exchange theory and norm of reciprocity (Hornung et al., 2009). According to the norm of reciprocity (Gouldner, 1960), employees who have successfully negotiated idiosyncratic deals may feel obligated to repay employers who granted the deals as well as co-workers and organizations. For example, when employees receive flexible idiosyncratic deals, their coworkers may take on increased workloads; likewise, if employees receive developmental idiosyncratic deals, their coworkers may miss out on career development opportunities because of limited budgets. Recipients of idiosyncratic deals, therefore, may feel the need to help their coworkers or extend extra effort in the workplace to ‘keep the peace’ or mitigate jealousy (Huo et al., 2014).

Another alternative mechanism that has relevance to understanding the effects of i-deals and employee outcomes is based on the theory of impression management. In the workspace, the social exchange motives and impression management motives may coexist and interact with each other (Bolino et al., 2006). And impression management motives may be more strongly stimulated in a transparent organizational context (Ellis et al., 2002). That’s to say, when employees believe that their coworkers have knowledge about idiosyncratic deals they have negotiated, they might use impression management tactics to maintain the ‘good soldier’ image and demonstrate extra effort (i.e. organizational citizenship behaviors) (Ferris et al., 1994; Rioux & Penner 2001) to mitigate their coworker’s perceptions of differential treatment.

Equity theory (Adams, 1963, 1965) is usually applied in the context of i-deals, which can explain the effects of i-deals on both recipients and coworkers. The theory proposes that individuals evaluate their own outcome-input ratios and those of their comparative referents (Adams, 1963, 1965). Inequity exists when the outcome-input ratios are not perceived to be equal (Sweeney, 1990). Such inequity creates tension, which in turn motivates individuals to restore equity by changing the outcomes or inputs. For the i-deals’ recipients, when employees receive i-deals, they may feel envied as a result of having more favorable outcome-input ratios than others (Parrot & Mosquera, 2008). Conversely, for the
coworkers, when they witness others receiving i-deals, their perceived outcome-input ratios decrease in relation to that of other employees, leading to envy (Ng, 2017). Hence, they are more likely to be motivated to rectify the unfair situation by trying to increase their own rewards and resources (Greenberg et al., 2004; Rousseau, 2001). This is especially true when organizational resources are limited, in which case, one’s receipt of i-deals may mean fewer resources available for others.

4. Measurement of I-Deals

The measurements of most i-deals researches are based on Rousseau and colleagues (Hornung et al., 2010; Hornung et al., 2014; Rousseau & Kim, 2006), who developed scales to measure both timing (i.e., ex ante and ex post) and content of i-deals. The i-deals content included flexibility, career developmental opportunities, work tasks, and workload-reduction. Hornung et al. (2008) measured i-deals by two dimensions, flexibility and development. Employees were asked to answer to which extent in their current jobs they had “asked for and successfully negotiated individual arrangements different from their peers” in terms of flexibility i-deals (two items) and development i-deals (four items). Flexibility items included “Flexibility in starting and ending the workday” and “Individually customized work schedule.” Developmental items were “On-the-job activities,” “Training opportunities,” “Special opportunities for skill development,” and “Career development.” Hornung et al. (2008) scale is widely applied in other i-deals studies (e.g. Ng & Feldman, 2015; Anand et al., 2010; Bal et al., 2012).

There are also studies measuring i-deals according to the time when the i-deals negotiation occurred (Rousseau et al., 2009). The timing of i-deals was measured with two items each for ex ante and ex post negotiation. Ex Ante Negotiation was measured by “At the time I was hired, I negotiated for work arrangements that differ from the typical employee here” and “When I was hired, I negotiated for particular employment conditions that suited me personally”. Ex Post Negotiation was measured by “After I started working here, I have been able to negotiate special arrangements that suit me personally” and “I have been able to negotiate with my supervisor to create an employment arrangement that suits me personally.” The internal consistency was all above 0.74.

5. I-Deals’ Effects on I-Dealers and Co-Workers

5.1. From the Perspective of I-Dealers

Empirical research has demonstrated that i-deals have an influence on a wide array of employee work-related perceptions, attitudes, and behaviors. However, most of the research only focused on the positive effects of i-deals on employees, ignoring the negative effects of i-deals. Hence, we will review these researches from positive and negative aspects in order to better understand i-deals’ effects.
5.1.1. Positive Effects

First, i-deals can positively influence employees’ job satisfaction and affective commitment. Both flexibility i-deals and development i-deals were found to be positively related to job satisfaction (Ho & Tekleab, 2013; Rosen et al., 2013), affective commitment (Ho & Tekleab, 2013) and motivation to continue working after retirement (Bal et al., 2012). Likewise, employees with task i-deals also tend to report higher satisfaction with their job, greater attachment to the organization in terms of affective, continuance, and normative commitment (Liao et al., 2016).

Second, i-deals have been proved to positively related to employees’ organizational citizenship behavior (OCB). An et al. (2010) confirmed that developmental i-deals are not only positively related to employees’ interpersonal helping behaviors which benefits their immediate managers and coworkers (OCB-I), but also related to helping behaviors which contributes to their employing organization’s welfare (OCB-O). Huo et al. (2014) reached inconsistent conclusion that i-deals have a significant and positive impact on OCB-I but not on OCB-O. A reasonable explanation seems to be that workers prefer to reciprocate employers who directly negotiate i-deals for them, and they attempt to mitigate a perceived sense of injustice by coworkers by engaging in interpersonal helping behaviors (i.e. OCB-I) rather than by contributing to the organizational welfare (i.e. OCB-O). Guerrero & Challiol-Jeanblanc (2016) found that the relationship between i-deals and helping behavior is not direct, but is mediated by organizational-based self-esteem (OBSE). This result can be explained by the self-enhancement mechanism, i-deals put the recipients in a position of being better off in the team, and motivate them to behave in a way that is consistent with the positive self that has been activated by i-deals.

Third, i-deals were found to be associated with higher employee work performance. From a job design perspective, task i-deals can increase job control and job complexity and decrease job stress, which in turn promote employees’ initiative and work engagement (Hornung et al., 2010). Akin to the findings of task i-deals i-deals, employees with developmental i-deals also have direct positive effects on work engagement (Hornung et al., 2011), reporting higher performance. In addition to task i-deals and developmental i-deals, Las (2017) show that flexibility i-deals are also relate to work performance but only via family performance. This result may indicate that reciprocity is not the only mechanism through which to understand the effects of i-deals on work performance (Liao et al., 2016; Bal & Dorenbosch, 2015; Bal et al., 2015).

Finally, empirical research has also confirmed that i-deals have an influence on employees’ voice behaviors. Flexibility i-deals were found to be positively related to voice behavior (Hornung et al., 2008). Ng & Feldman (2015) further indicated that both scheduling flexibility i-deals and professional development i-deals will be associated with voice behavior. Besides, social networking behavior and organizational trust mediated the relationship between i-deals and voice behavior. Although both flexibility and developmental i-deals are positive-
ly related to employee voice behavior, the effects of the developmental i-deals are stronger because of an intervening effect creating a greater obligation to reciprocate (Ng & Feldman, 2015). This finding suggests that resources exchanged in developmental i-deals are perceived as more special, valuable, or distinctive than in scheduling flexibility (Liao et al., 2016).

5.1.2. Negative Effects
Most extant researches have shown the positive impact of i-deals on employees, such as job satisfaction, affective commitment, voice behavior and so on. Everything has two sides. While the i-deals bring many benefits to employees, it may also have a series of negative effects for employees. It’s universally admitted that flexibility i-deals are positively related to work–family conflict (Hornung et al., 2008) and contribute to family performance (Las et al., 2017). However, distinct from flexibility i-deals, developmental i-deals were found to be positively related to work–family conflict (Hornung et al., 2008). It may be because those with developmental i-deals are more willing to work overtime, which in turn increase their work–family conflict (Hornung et al., 2008).

In addition to the type of i-deals, the level of the i-deals may also cause some negative effects. Generally, receiving a greater level of task i-deals than coworkers can signal employees’ value to, and relative social standing in, the organization (Ng & Lucianetti, 2016; Vidyarthi et al., 2016), however receiving a lower of task i-deals than others can have the opposite effect, such that employees feel less valued and suffer a decline in perceived status and self-worth. That is to say, employees’ upward comparison of task i-deals (with their coworker) is positively related to their emotional exhaustion (Kong et al., 2018).

Negative emotions and voluntary turnover may be another negative effect of i-deals on employees. Developmental i-deals may have unintended negative social consequences in terms of promoting a competitive climate and increasing ostracism and turnover (Ng, 2017). More specifically, when an employee is granted developmental i-deals, the feeling of being envied is likely to emerge, thus resulting in the emergence of a competitive climate at work. Furthermore, this competitive climate can be positively related to felt ostracism, resulting employees’ voluntary turnover.

5.2. From the Perspective of Co-Workers
Rousseau (2005) stated that the triangular relationship between the i-deal recipient, the employer, and coworkers influences whether i-deals are effective for an organization. Thus, the impact of i-deals on coworkers should also be considered.

5.2.1. Positive Effects
First, others’ i-deals can do good for both the co-workers and i-dealers through the emotions of benign envy. Benign envy lacks hostility and resentment but includes the determination to improve oneself, be like the envied person, and pull
oneself up to his/her level, which is why it directly increases effort and performance as a primary way to achieve higher outcomes (Bamberger & Belogolovsky, 2017; Lange et al., 2018; Van de Ven, 2017). Benign envy can motivate interpersonal behaviors (e.g. helping the envied other) to advance oneself (Van de Ven et al., 2009). This indirectly increases co-workers’ outcomes, as supervisors can interpret them assigns of motivation and commitment (Podsakoff et al., 2009). Moreover, getting close to the envied person can help the employee learn how to achieve higher outcomes (Lee & Duffy, 2019). Marescaux et al. (2019a) also proposed that benign envy of the co-workers leads to positive behaviors, both toward the organization and i-dealer.

From the perspective of organizational justice, some scholars also confirmed that witnessing others’ i-deals contributed to coworkers’ helping behaviors. Co-worker’s perceptions of others’ idiosyncratic deals can be the manifestation of organizational informational justice and interactional justice (Huo et al., 2014), this perception can drive them to be more active in participating in OCB-I to achieve their expectations of obtaining i-deals (Huo et al., 2014). It is worth noting that if co-workers receive the i-deals which is at the similar level to others’ i-deals, they will feel a stronger sense of organizational justice, which could improve their career satisfaction and show more extra-role behaviors (Liao et al., 2017).

Employees’ perceptions of whether others are receiving i-deals are also positively related to their perceptions of their own i-deals (Ng & Lucianetti, 2016). Specifically speaking, witnessing others receiving a high level of i-deals signals to employees that supervisors and organizations are willing to grant such deals to employees. Thus, when coworkers ask for and receive i-deals, the perceived norm that such behavior is acceptable and normal is created. Hornung et al. (2008) noted that a workplace full of idiosyncratic arrangements could “promote the negotiation of i-deals by conveying a normative message to both workers and supervisors that idiosyncrasy in employment terms is legitimate”. Finally, witnessing coworkers receiving a high level of i-deals gives employees the confidence to ask for their own idiosyncratic arrangements without worrying about making their coworkers upset or jealous (Ng & Lucianetti, 2016).

Finally, employees’ i-deals can be related to coworkers’ voice behaviors when i-deals are considered distributively unfair (Marescaux et al., 2013, 2019b). Furthermore, i-deals can spark more distributive injustice perceptions and voice behavior in a highly interdependent work context. Among all kinds of i-deals, financial bonuses were considered most distributively unfair and, thus, trigger more voice behavior (Marescaux et al., 2019b).

5.2.2. Negative Effects

Others’ i-deals can influence co-workers’ emotional responses to some extent. In the eyes of bystanders, “i-deals create symbolic losses to the extent that they impugn the worth or value of others” (Rousseau, 2005: p. 154). Consequently, witnessing other employees’ i-deals should promote generic feelings of envy, as one’s own good fortune may affect the relative standing of others (Smith & Kim,
Ng (2017) confirmed that witnessing others’ developmental i-deals is positively related to envy. This feeling of envy can further lead to perceived competitive climate, resulting in the feelings of ostracism and voluntary turnover. Garg & Fulmer (2017) proposed that co-worker’s emotions can be shaped by their perceptions of i-dealer deservingness and appraisal of i-deal for self. Specifically, a co-worker’s perceptions of low i-dealer deservingness and negative appraisal of i-deal for self will increase the likelihood of malicious envy in response to learning of a colleague’s i-deal. On the contrary, a co-worker’s perceptions of high i-dealer deservingness and negative appraisal of i-deal for self will increase the likelihood of anger or resentment toward the organization in response to learning of a colleague’s i-deal.

In addition to negative emotions, employees’ ideals can also induce some behavioral outcomes. Based on equity theory, Marescaux et al. (2013) identified four different potential co-worker reactions to i-deals which are driven by perceptions of an i-deal’s distributive injustice. The most common reaction is voice, followed by counteraction, withholding effort and requesting a compensation. This suggests that when i-deals are considered distributively unjust, co-workers react in ways that will make the i-deal less effective or ineffective. Xiong et al. (2018) also confirmed that there was a positive correlation between the others’ i-deals and the withdrawal behavior of employees, and psychological contract violation played a part of the intermediary role.

### 6. Additional Opportunities for Future I-Deals Research

In summary, existing researches have explored the impact of i-deals from the perspectives of employees and coworkers, considering the impact of i-deals on third parties other than merely employers and employees. However, there are still some researches gaps concerning the impact of i-deals. Based on the above review, future researchers can further explore the following question to enrich i-deals researches:

First, we noted that majority of studies take flexible i-deals or developmental i-deals as representatives to examine the impact of i-deals, while less attention is paid to financial i-deals and task i-deals. Future research can further explore how different types of i-deals affect employees and coworkers.

Second, more empirical research is needed to understand the role of context in i-deals research. Contextual factors could affect the degree to which focal employees benefit from i-deals (Rousseau, 2005). For example, Secrecy in such special arrangements may blur the distinction between i-deals and favoritism, resulting in coworkers’ perceptions of inequity and jeopardizing the legitimacy of i-deals (Liao et al, 2016). This highlights the importance of the issue of justice in managing i-deals (Greenberg et al., 2004). Besides, the competitive atmosphere in the organization may cause employees to pay more attention to their own i-deals, leading to jealousy. Thus, it is advisable that i-deals be negotiated and communicated according to different contextual factors. Future research is
recommended to investigate the impact of secrecy and competitive atmosphere.

Finally, most of the existing studies focus on different kinds of i-deals’ impact on employees, while few studies pay attention to degree of heterogeneity of i-deals perceived by employees and coworker. For example, how would group members perceive the heterogeneity of i-deals if everyone in a group gets one, yet some contents of the i-deal vary? Researchers might consider the question how the degree of heterogeneity of i-deals influence the employees and coworkers.

7. Concluding Thoughts

Findings to date support the practical value of i-deals in managing the contemporary workforce to the benefit of both employees and employers. Research has also demonstrated that individualized arrangements can help to attract, motivate, and retain employees. However, the challenge of understanding and managing the social and organizational dynamics of i-deals is not yet well addressed. For example, an i-deal might be “win-win” to the focal worker and the employer, but its ultimate effectiveness can depend on coworkers’ acceptance of it. By evaluating the existing effects of i-deals from a dual perspective of i-deals’ recipient and bystanders, we hope this review motivates more attention to all parties involved in the individualized arrangements in research and practice.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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