Idiosyncratic deals and organizational commitment

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A B S T R A C T

This article examines the relationship between idiosyncratic deals and organizational commitment. In particular, it examines how two individual differences which reflect self-worth (core self-evaluations and age) moderate that relationship. We predicted that employees with feelings of high self-worth will expect and will feel entitled to these deals, but employees with feelings of low self-worth will feel particularly obligated to reciprocate positively for special treatment. Data were collected from 375 managers at two points in time. As predicted, the relationship between idiosyncratic deals and affective organizational commitment was stronger for those managers who had low core self-evaluations. While the two-way interaction effect between idiosyncratic deals and age was not significant, we did find modest evidence for a three-way interaction effect. As predicted, the strongest relationship between idiosyncratic deals and organizational commitment occurred for older workers who had low core self-evaluations.

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1. Introduction

As individuals are becoming increasingly responsible for managing their own careers (Briscoe & Hall, 2006), firms find themselves having to work harder to generate organizational commitment. One strategy which has received considerable attention in this context is providing employees with idiosyncratic employment arrangements which are tailored to their own personal needs (Rousseau, 2005). In turn, organizations hope these idiosyncratic contracts will motivate employees to reciprocate with greater loyalty and greater effort on their jobs.

Most prior research on this issue assumes that employees will systematically react positively when they are offered idiosyncratic deals (Rousseau, 2005). While we agree that these deals will have positive effects on employees in general, we contend that the magnitude of those effects may vary substantially due to individual differences. Practically speaking, idiosyncratic deals are costly to organizations. As such, they should only be offered to employees who will reciprocate positively. If these idiosyncratic contracts do not improve employment relationships, the rare and valuable resources given to employees in these deals will be wasted.

Theoretically speaking, we believe that employees’ feelings of self-worth play a major role in how individuals respond to idiosyncratic deals. Employees who have feelings of high self-worth are likely to feel entitled to idiosyncratic psychological contracts and to take them as their due. In contrast, employees who have feelings of low self-worth are likely to respond especially positively to idiosyncratic contracts because they are being personally (and, from their perspective, unexpectedly) chosen for special attention. The purpose of this study, then, is to examine how two individual differences related to self-worth moderate the relationship between idiosyncratic deals and affective organizational commitment.
The first individual difference we consider here is core self-evaluations, which represent the fundamental premises people have about themselves and how well they function in the world (Judge, Locke, & Durham, 1997). They reflect employees’ self-esteem, generalized self-efficacy, emotional stability, and locus of control. As a personality construct closely tied to the general notion of self-worth, core self-evaluations can play a major role in affecting how employees respond to idiosyncratic deals.

The second individual difference we consider here is age. Historically, older workers face some barriers to entry and adverse treatment on the job (Posthuma & Campion, 2009; Weiss & Maurer, 2004) which affect not only how older workers are viewed by colleagues, but also how older workers view themselves. Consequently, it is not surprising that researchers have found that older workers experience greater feelings of low self-worth than their younger counterparts do (Robins, Trzesniewski, Tracy, Gosling, & Potter, 2002). Thus, age can affect the level of self-worth employees bring to their employment relationships and, in so doing, influence how older workers view their employment contracts, too.

2. Theory

2.1. Idiosyncratic deals

Psychological contracts consist of beliefs regarding the mutual obligations between employees and their employers (Rousseau, 1989). Both social exchange theory (Blau, 1964) and inducements-contributions model (March & Simon, 1958) suggest that individuals are more likely to perceive their employee-organization relationships in a positive light and be committed to their employers when they feel valued and/or when organizational inducements are attractive to employees. Recent research suggests that idiosyncratic contracts are especially likely to generate organizational commitment among employees (Rousseau, 2005).

Idiosyncratic contracts are employment arrangements that are different in nature from those given to other employees and are crafted to meet the specific needs of individual employees. These idiosyncratic contracts offer employees additional resources (e.g., special promotion tracks or flexible scheduling) not readily available to their colleagues (Rousseau, Ho, & Greenberg, 2006). Moreover, the content of idiosyncratic deals may vary quite substantially across employees. For example, some employees may have idiosyncratic arrangements only regarding their work schedules, while others may have idiosyncratic arrangements which address only career advancement opportunities and compensation packages.

Several factors have contributed to the increased number of idiosyncratic deals offered to employees, including the liberalization of labor laws, the reduction in union power, and labor market shortages (Hornung, Rousseau, & Glaser, 2008). Not surprisingly, highly skilled workers and highly educated professionals and managers have been especially motivated to pursue and negotiate such deals for themselves.

It is important to note that the construct of contract idiosyncrasy is distinct from the construct of contract replicability. Ng and Feldman (2008) suggest that contract replicability refers to the extent to which employees believe that the inducements offered by the current employers are replicable in other employment relationships. In other words, contract replicability has a primarily external focus and addresses whether the same deals are likely to be offered by other companies. Conversely, contract idiosyncrasy has a primarily internal focus and refers to those employment arrangements which are special compared to their colleagues’ deals. It is possible that a psychological contract is idiosyncratic within a firm, and is not replicable externally because other employers are unwilling to offer these kinds of resources and arrangements to their workers.

2.2. Organizational commitment

We propose that idiosyncratic deals will be positively related to organizational commitment for two reasons. First, individuals who perceive their contracts as idiosyncratic may be particularly excited about being the only one (or one of a few) to receive rare and valued resources. These enhanced positive emotions would directly strengthen organizational commitment (Hornung et al., 2008). Second, and more importantly, perceptions of idiosyncratic deals may increase employees’ trust in their employers and cement their bonds with them (Rousseau, 2005). In contrast, a “standard” deal may signal indifference or disinterest to an individual’s particular needs.

We focus on affective commitment here because previous researchers have noted it is one of the most immediate outcomes and indicators of the quality of employee-organization relationships (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002; Rhoades, Eisenberger, & Armeli, 2001). Furthermore, some previous empirical research on idiosyncratic deals and organizational commitment (e.g., Hornung et al., 2008) has used affective commitment as its measure of commitment. Using the same dependent variable here, then, would make it easier to build upon and compare results across studies. Thus, we propose:

**Hypothesis 1.** Perceptions of idiosyncratic contracts are positively related to affective organizational commitment.

2.3. Moderators of the idiosyncratic deal – Affective commitment relationship

When Hornung et al. (2008) studied the relationship between idiosyncratic deals and affective commitment, they did not find a consistent association between these two variables. One of the reasons for these mixed findings might be the existence

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