

## I-DEALS AS A MODERN TOOL FOR HUMAN RESOURCE MANAGEMENT IN COMPETITIVE ORGANIZATIONS

*Elżbieta Kowalczyk*

*Poznań University of Economics, Poznań, Poland*

*E-mail: e.kowalczyk@ue.poznan.pl*

**Summary:** The article considers the problem of idiosyncratic deals (in short: i-deals) which can be regarded as a modern tool for personnel management. By their adaptation to the needs and working conditions, and their individualized nature, agreements of this type may become an effective way to attract, motivate and keep valuable employees in an organization. In this paper the author presents the results of her own empirical studies that show the scope, forms and consequences of such agreements in the practice of Polish organizations.

As a result, the research hypothesis has been confirmed, saying that despite the observable benefits of this type of solutions, they are not fully used in the practice of Polish enterprises.

**Keywords:** employment relations, i-deals, negotiations

### 1. INTRODUCTION

In today's rapidly changing environment, we must seek new ways to effectively manage human resources. To be able to fully exploit the potential of employees, conditions of employment must be matched to individual needs and expectations of employees, especially those who decide about a company's market dominance. This goal can be achieved through individualized, tailored contracts between an employee and an employer/supervisor. This customization can be obtained by means of negotiations between an employer and individual employees, which results in signing idiosyncratic deals (in short: i-deals). This article aims to show the benefits and costs and the extent to which i-deals are used in the practice of human resource management in Polish enterprises. The empirical perspective will show us how employees perceive these problems. The hypothesis assumed herein implies that, despite the perceived benefits of i-deals, they are not a fully used tool for human resource management.

### 2. THE ESSENCE AND CONCEPT OF I-DEALS

The concept of i-deals is relatively young, and it was popularized, among others, by D. M. Rousseau (2005) in his work: *I-Deals: Idiosyncratic Deals Employees Bargain for Themselves*. This and other studies in this area highlight the inevitable end of collective agreements and template, unilaterally imposed contracts between an employer and an employee represented by a supervisor. This is due to the unique nature of work performed by individual members of an organization (Hornung, Rousseau, Glaser, 2009, p 739). Taking steps to retain the most valuable, competent and highly skilled staff is in the interest of an organization – this can be done by adjusting the negotiated contract to the needs and expectations of an employee.

According to D.M. Rousseau, “*idiosyncrasy in employment is found wherever individual workers change their job titles, draft their own job descriptions, revise the ones they started with, or otherwise customize their duties, work hours, and their conditions of work*”. (Rousseau, 2005, p. 22). With such individualized treatment, there is a chance to keep an employee, while an employer can count on the stability of employment and greater loyalty

and commitment, and employees can hope for terms and conditions of employment that fit their current life situations and ambitions.

Several key elements distinguish i-deals from other forms of specific agreements (e.g. based on nepotism, favourability) between an employee and an employer. They are (Rousseau, Ho, Greenberg 2006, pp. 977-994):

- Individually negotiated: an agreement negotiated by an employee must be individually tailored and different from other contracts with other co-workers.
- Heterogeneous: in a similar group of employees, contracts must be differentiated e.g. in terms of benefits, formal and informal incentives, and rewards matching the level of work performed.
- Benefiting for both parties (employee and employer): for an organization a success is to attract, motivate and maintain valuable employees by means of individually and fairly matched stimuli, as they in turn engage in work and the organization.
- Varied in scope: from a single individualized element in agreement in larger standardized package of settlement to total idiosyncratic forms of deals.

A condition to establish favourable i-deals is negotiation skills of those who participate in talks and who should get rid of inhibitions due to fear of reporting requirements. Indeed, this inside brake often makes it impossible to start a dialogue and establish a mutually beneficial outcome (Kowalczyk, 2011, p 364).

Negotiated, individualized employment contracts are a chance to achieve satisfaction by employees, and they occur even in labour markets with quite a bit of reduced competition. This was noticed during studies conducted on German officials in Bavaria which proved that negotiating i-deals brings measurable results – working time flexibility helps reduce the work-family conflict and lower the number of overtime providing a degree of involvement in an organization. Negotiated conditions for professional development involve affective organizational commitment, increased conflict of work-family roles, greater expectations related to fulfilling job tasks and a greater number of overtime hours (Hornung, Rousseau, Glaser, 2008, pp. 655-664). Thus, i-deals are becoming both a necessity and an opportunity related to the new economy in the early twenty-first century. Without them, it is difficult to satisfy the increasingly conscious employees, conduct business and manage its resources, including one of the most valuable of them – people.

Hypothetical benefits and costs that may result from negotiating i-deals are presented in Table 1.

*Table 1: I-deals: benefits and costs*

<b>Benefits</b>	<b>Costs</b>
Outstanding commitment to work	Difficulties in balancing professional and personal roles
A sense of organizational commitment	Physical health disorders
Possibility of self-realization	Greater mental workload
Greater sense of security	Increased competition with other employees
Increased job satisfaction	Greater stress at work
Increased pay satisfaction	Greater burnout
Better atmosphere at work	
Increased self-esteem	
Professional competence development	
Better person-job fit	
Better person-organization fit	
Feeling a stronger connection between good work performance and rewards for it	

Source: own elaboration

The above items were subjected to empirical study the results of which are presented further in this article.

### 3. THE SCOPE AND FORMS OF I-DEALS AS HRM TOOLS

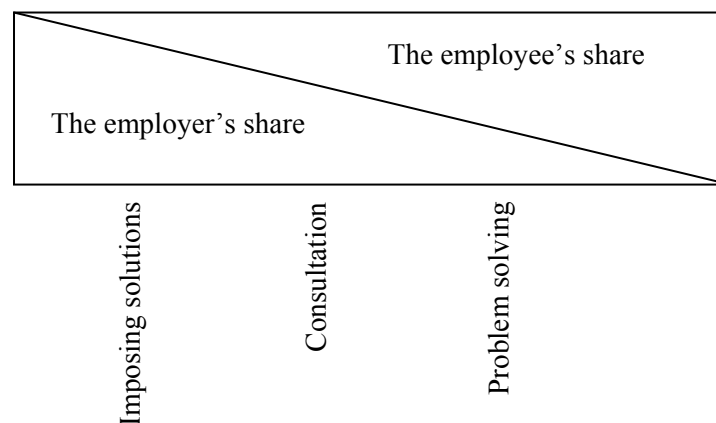
In a highly changeable environment, companies competing for employees, especially knowledge employees, should offer them new and attractive forms of cooperation, based on flexible forms of employment. This will make it possible to implement innovative personnel policy in an enterprise, as well as meet the needs of people employed in it and those who apply for a job (Kwiatkowski 2003, pp. 19-20; Dolny, Meller 1998, p.12).

The scope of i-deals may involve different forms of flexibility in the labour market which include:

- flexible working time – part-time, flexible, and variable working time (e.g. within a week, month);
- flexible wages – base pay, augmented pay (their value and mutual relationships) and cafeteria remuneration (bonuses most desired by an employee, selected from a list);
- qualification flexibility – the need to expand professional competence;
- occupational flexibility – the need to change occupation;
- workplace flexibility – teleworking, changing work environment, changing tasks within the same company, changing address, working in virtual enterprises (Kwiatkowski 2003, pp. 18-20; Auriga, 2005, pp.8-12; Strzemińska, 2003, p.130);
- Flexible forms of employment contracts (temporary, part-time civil-law contracts, self-employment, management contract) (Stojek-Siwińska, 2007, pp. 18-19; Labour Code, p. 41).

I-deals may also have different forms as both parties (employer and supervisor) may have a different impact, which is illustrated in Figure 1. Problem solving seems to be the most effective form of negotiation, while imposing solutions and taking the initiative may not fully satisfy the other party.

*Figure 1: Forms of i-deals*



Source: own elaboration

Negotiating individual parameters of contracts, which is reflected in the psychological contract, and the form of their negotiation determines the specifics of i-deals that will be gradually treated as a human resource management tool, enabling employers to compete for high-performance workers.

## 4. I-DEALS IN THE LIGHT OF THE RESULTS OF THE AUTHOR'S STUDIES

### 4.1. THE RESEARCH METHOD

The study was conducted in the first quarter of 2012, the survey was prepared in the electronic form and posted on the portal [moje-ankieta.pl](http://moje-ankieta.pl), and the link was passed for those who expressed a desire to participate in the study.

The study involved 212 people who were employed in the course of the study, or had been employed in the 12 preceding months. The gender structure of respondents was as follows: 41.5% (88 people) were male and 58.5% (124 people) were female. The mean age of respondents was 39.1 years; their job seniority was 7.9 years. Primary education – 0%, vocational education – 0.5% (1), secondary education – 9.4% (20), undergraduate higher education – 30.6% (65), higher education – 32.5% (69), postgraduate, doctoral education – 26.9% (57).

The size of companies by number of employees in which respondents were employed is presented in Table 2.

*Table 2: The structure of respondents in terms of the size of their employers*

Company size	Micro (1-9 persons)	Small (10-49 persons)	Medium (50-249 persons)	Large (250-999 persons)	Very large (1000 and more)
Percentage (number) of respondents	10.8 % (23)	25.0% (53)	23.1% (49)	22.2% (47)	18.9% (40)

Source: own study

This study involved persons occupying various positions in the organizational hierarchy, as shown in Table 3.

*Table 3: The structure of respondents' positions*

Respondent's position	Regular	Independent / specialist	Junior manager	Mid-level manager	Senior manager	Other
Percentage (number) of respondents	23.1% (49)	42.5 % (90)	9.0% (19)	9.0% (19)	10.3% (22)	6.1% (13)

Source: own study

Taking into account the education and positions of respondents, they are knowledge employees, or they aspire to become them in the coming time.

### 4.2. THE SCOPE, BENEFITS AND COSTS OF I-DEALS

The first issue addressed in the study concerned the incidence of individual, tailored negotiation between an employer and an employee, i.e. i-deals. Respondents reported that they were implemented in 60.8% (129) of cases and in 39.1% (83) they were not practiced. It is encouraging that the majority of respondents negotiate with their employers, actively shaping the employee-employer/supervisor relationship. At the same time, respondents specified the scope of these talks as high in 13.2% (28), average in 30.7% (65), small in 26.7% (57), and not occurring at all in 29.2% (62). Unfortunately, a "wide range of talks" is still available for the minority, but perhaps this is due to the lack of habit to negotiate agreements between an employee and a supervisor, but it is hoped that this situation will change favourably.

Because not only respondents themselves but also other people from their organization could carry out such talks, another issue touched this problem. Respondents reported that other persons from their professional environment held such talks in 34.4% (73), while in 18.9% (40) no such talks took place, and in 46.7% (99) they had no knowledge in this regard. This means that employees are reluctant to share information about opportunities to negotiate benefits, maybe guided by a competitive strategy to build their own careers, and the dissemination of such information may be assessed by them as threatening their potential profits.

Further questions were directed only to those who declared that they had conducted individualized negotiations on work, and based on it the form of these negotiations was established. Respondents had to choose from several options depicted in Table 4 and Figure 1.

**Table 4. The nature of discussions between an employee and an employer/supervisor**

What course did individualized negotiations on work take?	Percentage of respondents who held i-deals N=129
An employer/supervisor communicated his/her expectations and commitments, they were not subject to debate - "imposing solutions"	20.2% (26)
An employer/supervisor inquired about an employee's position and made an offer, which he/she announced, no further discussion occurred - "consultation"	20.2% (26)
An employer/supervisor asked about the position and needs of an employee, made an offer which they commonly discussed - "problem solving"	43.4% (56)
As suggested by an employer, an employee made his/her offer which he/she discussed with the employer/supervisor - "delegation"	6.2% (8)
An employee made an offer on his/her own initiative which he/she discussed with his/her employer/supervisor - "taking the initiative"	8.5% (11)
Other	1.6% (2)

Source: own study

As shown in Table 4 employers and employees discussing their expectations and needs seek to reconcile their positions through *problem solving* negotiations in less than half of the cases, unfortunately there is still this one-sided exchange of messages (called "*imposing solutions*") dominated by an employer/supervisor in a relatively small degree interested in feedback from his/her subordinates. How much better the shape of i-deals would be, if the parties could freely submit their discussion ideas, expectations and concerns? Perhaps, the time to reach an agreement would extend, but the satisfaction of the parties would be greater, and consequently the employer could rely on a greater loyalty and commitment of employees. It is really encouraging, however, that over 10% of respondents took over the initiative – preparing an offer of their own accord. This approach breaks the stereotype that it is a supervisor who should initiate such talks.

Another issue examined is the scope and problems discussed during i-deals. This is illustrated in Table 5.

As can be seen from the figures of Table 5., flexible working time and flexible pay enjoy the greatest popularity in the talks discussed, while the issues relating to professional competence development and working on the basis of flexible forms of employment contracts are less common as they occur in about ¼ of the cases. However, not all the potential opportunities faced by employers and associated with different forms of flexibility are used. As it has been previously mentioned, flexibility in its various forms and scope is a chance to improve the labour market position of different groups of employees, it allows them to enter the labour

market and gain experience, broaden skills, and therefore it is important to use its potential in building mutual employee-employer relationships.

**Table 5. Issues discussed during negotiations between an employee and an employer/supervisor**

Topics of the talks included:	Percentage (number) of respondents who held i-deals N=129 *
Flexible working hours - part time, flexible working hours, variable working hours (e.g. within a week, month)	39.5% (51)
Flexible remuneration (base pay, augmented pay – their value and mutual relationships)	41.9% (54)
Cafeteria remuneration - selected from a list of available bonuses, most desired by an employee	4.7% (6)
Qualification flexibility - the need to expand professional competence	25.6% (33)
Occupational flexibility - the need to change jobs	1.6% (2)
Flexible jobs - teleworking, changing work environment, changing tasks within the same company, changing address, working in virtual enterprises	11.6% (15)
Flexible forms of employment contracts (temporary, part-time civil-law contracts, self-employment, management contract)	25.6% (33)
None of the above	13.2% (17)
Other	2.3% (3)

\*The results do not total 100% because respondents could choose more than one answer.

Source: own study

Then respondents were asked to specify the observed effects of individualized arrangements they had conducted with their own employers (i-deals).

**Table 6. The effects of individualized discussions on work (i-deals)**

According to respondents, their i-deals have resulted in:	I agree (4)	I rather agree (3)	I rather disagree (2)	I disagree (1)	Mean value
1. Above-average work involvement	27.9 (36)	39.5 (51)	19.4 (25)	13.2 (17)	2.82
2. Difficulties in balancing professional and personal roles	12.4 (16)	17.8 (23)	31.8 (41)	38.0 (49)	2.04
3. Physical health deterioration	6.2 (8)	13.2 (17)	20.2 (26)	60.5 (78)	1.65
4. Increased psychological stress	17.8 (23)	25.6 (33)	22.4 (29)	34.1 (44)	2.27
5. A sense of organizational commitment	20.9 (27)	50.4 (65)	17.8 (23)	10.9 (14)	2.81
6. Greater sense of security	17.1 (22)	51.2 (66)	24.0 (31)	7.8 (10)	2.78
7. The possibility of self-realization	31.0 (40)	45.0 (58)	19.4 (25)	4.7 (6)	3.02
8. Increased job satisfaction	30.2 (39)	44.2 (57)	20.9 (27)	4.7 (6)	3.00
9. Greater pay satisfaction	24.8 (32)	47.3 (61)	20.9 (27)	7.0 (9)	2.90
10. A better atmosphere at work	18.6 (24)	42.6 (55)	29.4 (38)	9.3 (12)	2.71
11. Professional competence development	26.3 (34)	45.7 (59)	19.4 (25)	8.5 (11)	2.90
12. Increased competition with other employees	12.4 (16)	20.2 (26)	36.4 (47)	31.0 (40)	2.14
13. Higher self-esteem	24.8 (32)	48.1 (62)	21.7 (28)	5.4 (7)	2.92

The categorical results from the columns were converted to point values based on which the mean value for each row was calculated.

Source: own study

As the data in Table 6 and show, the greatest impact of individualized employment contracts is reported in such aspects of an employee's functioning (25% of top results) as the possibility of self-realization, greater job satisfaction and higher self-esteem. The lowest effect was observed in such areas (25% of lower results in the group) as physical health deterioration and difficulty in balancing professional and personal roles, and competition between employees. Employees who negotiated individualized working conditions are more satisfied with it, they may feel more professionally fulfilled and are more confident of their competence which they may develop. What is more, they do not feel negative physical symptoms, and the negotiated arrangement allows them to fulfil both their professional and non-professional roles. It can be assumed that their quality of life is better.

In addition to the effects resulting from i-deals observed by respondents, the conviction about the potential effects that may result from such agreements is also important. All respondents referred to it, both those who conducted such arrangements, as well as those who did not have this chance.

**Table 7 Beliefs about the potential effects resulting from negotiating i-deals**

Potential effects arising from the possession of i-deals may be as follows:	I agree (4)	I rather agree (3)	I rather disagree (2)	I disagree (1)	Mean value
1. Greater employee work involvement	59.4 (126)	37.7 (80)	1.9 (4)	0.9 (2)	3.56
2. Greater employee commitment to an organization	51.4 (109)	42.9 (91)	4.7 (10)	0.9 (2)	3.48
3. A better atmosphere at work	44.8 (95)	40.5 (86)	11.8 (25)	2.8 (6)	3.27
4. Greater competition between employees	19.3 (41)	28.8 (61)	43.9 (93)	8.0 (17)	2.59
5. Greater competition between employers	19.3 (41)	44.8 (95)	30.2 (64)	5.7 (12)	2.78
6. Greater stress at work	10.8 (23)	21.7 (46)	47.6 (101)	19.8 (42)	2.24
7. Greater sense of security	31.1 (66)	51.4 (109)	15.1 (32)	2.4 (5)	2.80
8. Better person-job fit	49.5 (105)	42.9 (91)	7.1 (15)	0.5 (1)	3.42
9. Better person-organization fit	45.3 (96)	46.2 (98)	7.1 (15)	1.4 (3)	3.35
10. Larger conflict of professional and personal roles	6.1 (13)	16.5 (35)	50.5 (107)	26.9 (57)	2.02
11. Greater burnout	5.2 (11)	14.6 (31)	48.1 (102)	32.1 (68)	1.93
12. Mental health improvement	17.5 (37)	54.2 (115)	21.7 (46)	6.6 (14)	2.83
13. Physical health improvement	10.8 (23)	46.7 (99)	29.2 (66)	13.2 (28)	2.59
14. Feeling a stronger connection between good work performance and rewards for it.	40.1 (85)	48.1 (102)	9.4 (20)	2.4 (5)	3.26

The categorical results from the columns were converted to point values based on which the mean value for each row was calculated.

Source: own study

As the data in Table 7 and show the most anticipated results arising from individualized employment agreements (25% of top responses) are greater employee work involvement, greater attachment to an organization, and better person-job and organization fit. However, among the least expected effects of i-deals (25% of the lower responses) are higher burnout, conflict of the work-life roles and greater stress. Thus, in their opinion, i-deals give rise to potentially positive consequences for both employees and an organization which employs them. Because they are so much beneficial in the opinion of those who held them and the

other respondents, this valuable tool for effective human resource management should be used to a greater extent, and not wasted, which is happening in 40% of cases.

## 5. CONCLUSION

The study shows that under the assumed hypothesis, despite the clear benefits resulting from i-deals, they are not fully used in the business practice in terms of their frequency, scope and form. At the same time the most important benefits, those perceived and potential, arising from the negotiation of i-deals mentioned by respondents are: the possibility of self-fulfilment, greater job satisfaction and higher self-esteem, greater employee involvement in work, greater attachment to an organization, and better person-job and organization fit. However, assumptions about the perceived risks associated with those agreements have not been confirmed. Taking these facts into account, we can assume that i-deals will gain significance and will be more often used in the coming years, as they are an effective tool for shaping the employer-employee relationships based on flexibility which is an irreversible trend observed in the contemporary labour market.

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