Why supervisors make idiosyncratic deals: antecedents and outcomes of i-deals from a managerial perspective

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Abstract
Purpose – Idiosyncratic deals are personalized employment conditions individual workers have negotiated. This study aims to investigate influences on supervisors’ authorization of i-deals and their evaluation of these arrangements.

Design/methodology/approach – Structural modeling was used to analyze survey data from n = 263 supervisors managing telecommuting employees in the German public administration.

Findings – Supervisors differentiated among i-deals regarding development, flexibility, and workload reduction. Their authorization of developmental i-deals was influenced by employee initiative. Supervisors viewed these i-deals to have positive implications for employee motivation and performance. Flexibility i-deals were influenced by structural conditions such as the type of work the employee performed. Supervisors viewed these i-deals to enhance work-life benefits. Supervisors tended to grant workload reduction i-deals in the context of unfulfilled organizational obligations towards employees.

Research limitations/implications – Relying on single-source cross-sectional data, our results provide a managerial perspective on i-deals. Conclusions regarding implications for employees are tentative. Recommendations for future study designs are discussed.

Practical implications – Managers need to better recognize that i-deals take different forms, and these forms are associated with different outcomes. I-deals provide a way to experiment with innovative human resource practices.

Originality/value – This is the first study to examine i-deals from a supervisor perspective. It is the first to identify differential circumstances and consequences managers associate with authorizing three distinct forms of i-deals.

Keywords Line managers, Flexible working hours, Industrial relations

Paper type Research paper

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**Introduction**

Traditional models of workplace management favor comparable conditions for workers in the same organizational positions (e.g., Muchinsky, 2003; Kleinman, 1997). Yet, jobs in contemporary organizations are increasingly more individualized (Feldman and Pentland, 2003; Lawler and Finegold, 2001; Rousseau, 2001; Perlow, 1997; Miner, 1987). Deregulated employment relationships, rapid technological change, and the strategic need to attract and retain a qualified workforce have caused organizations to adopt more flexible human resource practices (Farber and Western, 2000; Cappelli, 2000; Perlow, 1997; Arthur and Rousseau, 1996). This trend toward individualization is evident in freely negotiated wages without union constraints, flexible schedules, part-time options, remote working, and sabbatical leaves (Chen and Wilson, 2003; Razi, 2006; Freeman and Rogers, 1999). Supervisors today often face the task of managing employees with an array of working arrangements (Cascio, 2000). In doing so, they may be pressed to negotiate boundary conditions that formerly were off-the-table and to make exceptions from standard practices (Lawler and Finegold, 2001; Rousseau, 2001).

Idiosyncratic deals (i-deals for short) are one way for workers to shape their employment arrangements through negotiating individualized employment conditions (Rousseau, 2005). Idiosyncratic deals are special conditions that individual workers have bargained for, and that differ to some extent from the standards applying to their peers (e.g., customized duties, individual career opportunities, variability in hours or workload; Rousseau et al., 2006). Supervisors are important negotiating partners for employees in the authorization of i-deals on behalf of the employer. To date, however, little is known regarding i-deals from an employer or supervisor perspective. No systematic data exist on why supervisors make i-deals or how they experience their consequences. Mutually beneficial effects of i-deals have been proposed, particularly in terms of improved performance, motivation, and work-life balance (Rousseau, 2005; Rousseau et al., 2006; Hornung et al., 2008a), but none have yet been evaluated from a supervisor or employer point-of-view.

The present study provides the first empirical test of several theoretical postulates regarding i-deals from a supervisory perspective. Its setting is a telecommuting program in a Germany public administration. In total 263 supervisors reported on structural features (job constraints, unit- and group size), worker behavior (employee initiative), and reward imbalances in the employment relationship (unfulfilled obligations). Furthermore, supervisors indicated the extent to which their telecommuting employees had asked them for and negotiated different forms of i-deals (development, flexibility, workload reduction). Supervisors also retrospectively evaluated changes in their own performance standards relative to workers with i-deals, as well as their respective workers’ motivation and work-life balance. A structural equation model tested the effects of the above factors on supervisors’ authorization of i-deals and their perceptions of resultant changes. Telecommuting in this setting was based on a common human resource framework (i.e., official program regulations), which required supervisor involvement in specifying the conditions of this new work arrangement. The context of our study provided a particular opportunity to examine the creation of i-deals in managing a flexible and partly virtual workforce.
Idiosyncratic deals
A relatively new phenomenon in organizational research, i-deals can be understood in the context of three contemporary employment trends. The changing nature of work (e.g. flexible human resource practices, virtualization) increasingly provides structural conditions for idiosyncrasy (Lawler and Finegold, 2001; Feldman and Pentland, 2003; Tietze and Musson, 2003; Steward, 2000). Labor market deregulation and dynamics (e.g. demographic and economic development) motivate workers to actively bargain for their interests and professional opportunities (Farber and Western, 2000; Rousseau, 2005, 2006; Rosen, 1981). Partly in consequence of these two trends, organizations frequently fail to honor previous commitments and require new ways to manage workplace justice (Robinson and Rousseau, 1994; Turnley and Feldman, 1999; Sparrow, 2000). I-deals are special terms of employment, negotiated by individual workers and authorized by agents of their employers (e.g. supervisors, higher-level managers, human resource representatives; Rousseau, 2001, 2004, 2005). I-deals are typically initiated by workers after hire (ex post) to add customized features to an ongoing employment relationship. 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 and Rousseau, 1996; Rosen, 1981), customized job tasks (e.g. Hornung et al., 2008b; Rousseau, 1995; Miner, 1987), flexibility of working hours, and adaptations to workload (e.g. Lee et al., 2000; Klein et al., 2000). Common employee motives associated with i-deals are to balance work and non-work life, secure professional futures, and – more generally – to customize working conditions to better suit personal needs and aspirations (Thornthwaite, 2004; Hochschild, 1997; Freeman and Rogers, 1999; Rousseau, 2006). Based on employee reports in a hospital context, Rousseau and Kim (2006) identified three commonly negotiated forms of idiosyncratic arrangements:

(1) 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).

(2) 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).

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

To date, research on i-deals has focused exclusively on the workers perspective (Rousseau and Kim, 2006; Hornung et al., 2008a, b). It has examined factors that predispose employees to successfully negotiate i-deals. Further, it suggests that the psychological consequences of these arrangement depend upon the specific workplace conditions and resources involved (Rousseau et al., 2006).

Supervisor authorization of i-deals
The perspective of supervisors, who authorize i-deals and often must manage their consequences, is empirically underdeveloped. Supervisors are important organizational agents whose legitimate power permits a wide range of resources to
be granted to workers on behalf of their employer (Stinglhamber and Vandenbergh, 2003; Rhoades and Eisenberger, 2002). Although i-deals may involve other managers (e.g. human resources or senior leaders), supervisors act as primary bargaining partners for negotiating individual arrangements (Rousseau et al., 2006; Rousseau, 2004). As i-deals are created when individual employees ask for and successfully negotiate special terms, their existence implies both worker initiative and employer authorization. They have been conceptualized as functional agreements, benefiting both employees and the organization (Rousseau et al., 2006). In contrast to dysfunctional personalized arrangements, such as favoritism or cronyism, however, i-deals imply that supervisors negotiate as the employer’s agent. This means, that they are responsible for creating fair arrangements that serve the interest of both parties (Greenberg et al., 2004).

Due to their role as negotiating agents between workers and employer, supervisor decisions on i-deals are expected to be based on:

- the structural conditions (e.g. group size, job interdependence and comparability) for authorizing and managing personalized arrangements;
- their evaluation of worker behavior (employee initiative), as active performers are more likely to seek out and be granted special terms; and
- their assessment of the overall level of balance in the requesting worker’s employment relationship (unfulfilled employer obligations), influencing the likelihood that i-deals are used as a substitute for formal rewards or to offset promised contributions employees did not receive.

All three aspects have been discussed as important determinants of the context for individual bargaining (Rousseau, 2005). Their influence on the creation of i-deals, however, has not been empirically tested from a managerial perspective. We next outline how these three characteristics of the negotiation context relate to the emergence of i-deals.

Structural conditions for authorizing i-deals

Opportunities for personalized treatment and differential employment arrangements are partly influenced by structural workplace conditions. Technology (e.g. flexible production systems, information technology), work organization (e.g. division of labor, task interdependence), and job type (e.g. manufacturing, service, or knowledge work) can either facilitate or constrain individualization (Rice, 1958; Child, 1973, Rousseau, 1977). Tasks requiring a worker’s physical presence at certain locations and/or fixed times (e.g. production facilities, customer contact, meetings) impose constraints or limiting boundary conditions on personal flexibility. Other things being equal, virtualized jobs, that is, unconstrained by time and location requirements, are more conducive to idiosyncratic arrangements (Steward, 2000; Konradt et al., 2000; Kurland and Bailey, 1999; Tomaskovic-Devey and Risman, 1993). Reliance on stationary technology and interdependence with others (e.g. customers, clients, or coworkers) can impose structural limitations on job individualization. Another structural constraint is the number of employees a supervisor manages. In larger units or groups, the pressure for comparability among the employment conditions that job occupants enjoy is likely to be higher due to concern for fairness (Greenberg, 1982; Rousseau et al., 2006). Coordinating an array of different arrangements (e.g. individual work schedules,
customized tasks) is complicated, creating higher coordination costs in larger units (Lowery et al., 2006). Supervisors managing smaller groups can more readily grant i-deals as coordination is easier and relationships can be fostered, which more readily promotes acceptance of i-deals among peers (Rousseau, 2004; Lai et al., 2009).

$H1$. Supervisor authorization of i-deals is influenced negatively by (a) job constraints and (b) group size.

Authorizing i-deals in response to employee initiative

Seeking out i-deals is a means by which workers actively influence their work and employment conditions. Pursuing such arrangements requires voicing their needs and bargaining for their consideration (Rousseau, 2005). As such, negotiating i-deals is a form of proactive behavior, which can take different forms of initiating and affecting positive changes at work and in the employment relationship (Grant, 2000; Parker and Collins, n.d.). Proactive work behavior is embodied in the concept of personal initiative, which is characterized by the self-starting and future-oriented pursuit of personal and organizational goals (Frese and Fay, 2001). Personal initiative predisposes employees to seek i-deals to influence their employment conditions (Hornung et al., 2008a). The actual creation of i-deals, however, remains contingent on authorization by employer agents. Supervisors, in turn, are expected to more willingly negotiate special arrangements with high performing employees, who can be relied on in their active efforts to contribute to organizational efficiency (Rousseau, 2004; Rousseau et al., 2006). Especially in dynamic and flexible work environments, proactive behavior becomes an increasingly important component of a member’s overall performance (Griffin et al., 2007; Frese and Fay, 2001; Crant, 2000). We therefore propose that supervisors are more likely to authorize i-deals when they perceive their employees to display high levels of initiative on the job.

$H2$. Supervisor authorization of i-deals is positively related to their perception of employee initiative.

Authorizing i-deals to compensate unfulfilled obligations

I-deals are negotiated in the context of the overall employment relationship, which can be described in terms of individuals’ psychological contracts about mutual obligations and their fulfillment. One suggested link between psychological contracts and i-deals is the extent of experienced violation, occurring when an employer willfully fails to fulfill perceived obligations (Rousseau, 1995, 2005). Psychological contract violations disrupt reciprocity in the employment exchange and create a sense of entitlement to compensatory resources (Robinson and Rousseau, 1994; Robinson et al., 1994; Shore and Barksdale, 1998). Employee responses to unfulfilled obligations have been examined in terms of exit, voice, neglect, or loyalty (Farrell, 1983; Turnley and Feldman, 1999). Seeking special arrangements as a remedy for undelivered rewards can be a constructive voice response, taking action to reconcile or reduce the perceived discrepancy (Rousseau, 1995; Robinson et al., 1994).

Organizations need ways to retain and motivate workers in spite of the unfulfilled obligations present to some degree in many employment relationships (Kickul et al., 2002; Sparrow, 2000; Robinson and Rousseau, 1994; Turnley and Feldman, 1999; Scholl, 1981). In managing the psychological contracts of their employees, as with
authorizing i-deals, supervisors act as the employer’s agents. Supervisor and employee assessments of mutual and reciprocal employment obligations tend to converge at least to some extent (Dabos and Rousseau, 2004; Tekleab and Taylor, 2003). General employment conditions, formal reward systems, and larger developments, however, are often beyond the influence of supervisors (e.g. economic pressures, organizational problems, management decisions). Failure to meet obligations toward employees, however, creates pressures on supervisors to honor commitments in some fashion at least informally or symbolically (Tan and Tan, 2000; Sparrow, 2000; Shore and Barksdale, 1998; Sparrowe and Liden, 1997). As authorizing i-deals involves fairness considerations, granting them may be a way for supervisors to compensate for a lack of formal reward instruments or limited officially available resources (Greenberg, 1982; Scholl, 1981; Rousseau, 2004, 2006). For example, an employee, who did not obtain a well-deserved promotion or pay raise may be in a better position to negotiate an attractive assignment or schedule. Perceptions of unfulfilled organizational obligations towards their employee thus are expected to increase supervisor’s agreement to re-negotiate individual solutions.

H3. Supervisor authorization of i-deals is positively related to their perceptions of unfulfilled obligations.

Supervisor evaluation of i-deals
We now turn to supervisor experiences in making i-deals with their employees. From an organizational perspective, benefits from i-deals include increased performance and motivation, as well as greater capacity to attract and retain skilled workers (Rousseau, 2001, 2005). In particular positive effects of i-deals are expected to include increases in employee:

- motivation;
- performance; and
- work-life balance.

Previous research from the employee distinguished between three forms of i-deal content (development, flexibility, and workload), which have been found to differ in certain consequences for the worker and employer (Rousseau and Kim, 2006; Hornung et al., 2008a). I-deals are conceptualized as mutually functional agreements for employees and the organization (Rousseau, 2005), yet their diverse content, scope, and combination (Rousseau et al., 2006) raises the possibility of differential consequences for both the employer and worker. As such, supervisors are likely to associate different forms of i-deals with varying consequences regarding the potential benefits of these arrangements.

Developmental i-deals
Developmental i-deals involve resources likely to reinforce or strengthen worker job involvement and organizational attachment (Shore and Barksdale, 1998; Rousseau, 1995; Foa and Foa, 1975). Granting developmental i-deals are ways supervisors can manage performance and employee motivation by responding to personal interests and aspirations (Rousseau, 2005). Individually challenging assignments and recognition of performance can enhance employee motivation while providing
employers a way to fulfill developmental commitments to workers (Maurer et al., 2002; Hornung et al., 2008b). Concurrently, supervisors authorizing developmental i-deals are likely to anticipate extra efforts from their recipients (Rousseau et al., 2006). We therefore expect that supervisor authorization of development i-deals will be associated with higher performance expectations and greater employee motivation.

\[ H4. \] Supervisor authorization of development i-deals is positively related to their perceptions of increases in performance standards and employee motivation.

**Flexibility i-deals**

Employees seek flexibility i-deals in order to manage their work and private lives (Klein et al., 2000; Thornthwaite, 2004; Freeman and Rogers, 1999). Work-life balance is not only valued by employees, but also a concern of contemporary organizations, giving rise to higher flexibility in human resource practices (Perlow, 1997; Lawler and Finegold, 2001). The organizational interest in work-life balance is based on the need to:

- attract and retain qualified employees; and
- create optimal conditions for sustainable job performance.

In competitive labor markets, work-life benefits may become decisive for employer attractiveness (Thornthwaite, 2004; Perlow, 1997; Rousseau, 2006). Impaired work-life balance relates negatively to employee well-being, suggesting detrimental effects on long-term productivity (Ford et al., 2007; Hochschild, 1997; Tomaskovic-Devey and Risman, 1993). Especially in open-ended employment arrangements, efforts to maintain labor power across different periods of the working life (e.g. family or career intensive phases, pre-retirement) manifest in traditional notions of employee welfare (e.g. Frederickson, 1997; Pattakos, 2004). Taking into account the implications of the job situation for individual work-life balance is an integral part of managing employee performance and satisfaction, which should be salient to direct supervisors (Ford et al., 2007). Personal flexibility in work schedules can aid employees in balancing demands of their professional and private life’s, without necessarily reducing their overall contributions to the organization (Dunham et al., 1987; Steward, 2000; Tietze and Musson, 2003). We suggest that supervisors granting flexibility i-deals will view these arrangements as interventions to support employees’ work-life balance, however, will not reduce their expectations regarding the quantity and quality of job results.

\[ H5. \] Supervisor authorization of flexibility i-deals is positively related to their perceptions of increases in employee work-life balance.

**Workload reduction i-deals**

The meaning of workload reduction i-deals tends to be context-specific. One central determinant is, in how far the amount or the type of work that an employee contributes is tied to negative financial and/or career implications (Lee et al., 2000; Rousseau et al., 2006). For example, reduced workload may informally be granted to senior workers or persons with health problems, employees with young families, time consuming hobbies, or second careers (Rousseau, 2005). When authorizing workload reduction i-deals, supervisors are expected to lower their performance standards to enable increased work-life balance. Negotiating such arrangements should promote a positive
judgment of work-life effects and a negative assessment of their implications for job performance.

**H6.** Supervisor authorization of workload reduction i-deals is related negatively to their perceptions of increases in performance standards and positively to their perceptions of increases in employee work-life balance.

**Method**

**The organization**

This study’s setting is the tax administration of the German federal state of Bavaria, employing about 20,000 civil servants. The collection and redistribution of citizens’ taxes is constitutionally reserved to government authority. It requires public officials, which are bestowed with extended rights (e.g. lifetime employment, family pension, no reduction in achieved status or payment without severe misconduct) and responsibilities (e.g. loyalty and dedication by oath, illegality of worker strikes or any other actions of organized labor dispute, moderation in political involvement; e.g. Bonorden, 2001; Frederickson, 1997). General employment conditions (e.g. job qualifications, payment, career paths, regular work hours, retirement) are standardized via several layers of legal code (state and federal public employment laws, administrative law, court decisions). Although collective bargaining takes place on the state and federal level, unionization is traditionally low with no differential treatment associated with union status. Following social policy and special obligations to offer equal opportunities, the public sector has a long-standing tradition of work-life benefits and family-friendly employment options (e.g. nearly half of all public employees work part-time; Bundesministerium des Innern, 2007). In the last decade, flexible human resource practices and employment arrangements have been expanded or newly introduced to attract and retain qualified workers in times of financial cut-backs, and labor market competition. Higher-level administrative units do have some discretion over certain human resource practices. In the past, this has provided process for generating legal precedents and best-practice models for other government agencies to adopt. Such a diffusion of innovative practices is to some extent supported through government performance benchmarks and award contests between public employers (e.g. benchmark of comparable administrations in different states; family-friendly administration award).

This study was part of an evaluation of a telecommuting program the Bavarian tax administration had implemented in 2001, which was evaluated in 2003, two years after its inception (Glaser and Hornung, 2004). The program was initiated by the administration’s director for human resources and technology. Program regulations were authorized by the state ministry and approved by the employee council (a legally mandatory institution with prescribed informational and veto rights). They were passed as a legally binding amendment to existing regulations, which was also signed by each individual participant. The program was part of the administration’s larger effort to offer its employees work-life benefits and support in face of increasing performance demands. Pressures on the administration came from population and industry expansion in one Germany’s most prosperous regions, highly complex and expanding tax laws, and strict government programs to limit public spending and employment. The administration had responded with a series of restructurings, introducing business-based management practices (e.g. performance metrics and
control systems), and technological change. Using this technical infrastructure, the tax administration was one of the first public employers in Germany to implement home-based telecommuting on a broad scale. Drawing on a survey among supervisors of program participants, the present study investigates the role of i-deals in managing and shaping flexible work arrangements. Supervisors and their corresponding employees were tenured government officials from 110 tax offices.

Supervisors managed clerical and accounting employees processing tax documents in two tax administration branches. One branch dealt with citizens’ income taxes, the other with corporate taxes. Virtualization was higher in the first, where documents were processed electronically. Contact with citizens was limited to formal notifications and occasional phone calls. These employees could work remotely up to four days a week, needing to be in the office only once a week. In the corporate tax branch, employees worked about half of their regular work time onsite at various companies. These typically were long-term projects gathering data not otherwise available to the administration. In this branch, physical commutes, greater direct client interaction, and compliance with company business hours restricted home-based telecommuting. To allow at least two home-office days a week, program regulations required participants to be in the administration’s office once every two weeks.

At the time of the study, 120 supervisors in the income tax branch and 220 in corporate tax managed 740 telecommuters. The administration used formalized procedures to permit employee applicants into the telecommuting program. Criteria employed included job type, worker experience, performance evaluations, and personal factors (e.g. health, commuting distances, family circumstances). As a precondition for participation, telecommuters generally had low task interdependence with other colleagues. In contrast to the income tax branch, corporate tax had less opportunity for telecommuting due to requisite onsite presence and personal interaction with corporate clients. The income tax branch was also more diverse in terms of gender distribution and prevalence of part-timers. Employees in corporate tax were typically male and full-time.

Historically, the public administration is a bureaucratic and highly formalized working environment, resting on a legal obligation to treat all citizens and employees equal and without regard of the individual person (principle of formalized impersonality; Weber, 1968). The introduction of home-based telecommuting as a flexible new work form was expected to add further degrees of freedom, allowing employees to negotiate more customized arrangements with their supervisors. Program regulations explicitly allowed opportunity for local arrangements to be created. Supervisors had the task of applying the new policy, playing an important role in determining how this policy was implemented for their own employees. For example, program regulations specified a minimum number of in-office days and required telecommuters to maintain normal work hours at their home-offices. In addition, supervisors were required to specify core-hours of accessibility and predetermine regular, and potentially additional in-office days (e.g. meetings, events) as needed. They remained responsible for assigning job tasks and duties, and otherwise managing the performance of their telecommuting subordinates.

I-deals provide a perspective to answer questions regarding how far and in which ways employees had used the program’s framework to create customized work arrangements with their supervisors. Structural and contextual factors were expected...
to influence the existence, content, and extent of any individually negotiated arrangements

Sample
All supervisors with at least one telecommuting employee were asked to participate in the study. Surveys were administered by the organization, to be completed voluntarily and during work hours. Overall 263 completed surveys were returned (overall response rate of 77.4 percent). The income tax branch was represented by 92 supervisors (response rate of 76.7 percent) and corporate tax by 171 (response rate of 77.7 percent). Their formal education was high typically including college degrees in public administration, finance, or law. The majority of supervisors were male (89.7 percent), with a mean age of over fifty years (M = 53.34, SD = 6.64), and a current job tenure over six years (M = 6.35, SD = 5.16). The average number of supervised telecommuters was around three (M = 2.94; SD = 2.06), fewer per supervisor in income tax (M = 1.83; SD = 1.14; Range: 1-6) and more in corporate tax (M = 3.53; SD = 2.20; Range: 1-10). The overall number of supervisees was about 13 on average (M = 13.45; SD = 5.42), greater in income tax (M = 16.34; SD = 6.49; Range: 3-32) than in corporate tax (M = 11.89; SD = 3.96; Range: 3-25).

Measures
Survey instructions emphasized the study’s focus on supervisory experiences in managing telecommuting employees. Most respondents supervised more than one telecommuter. Thus they were instructed to describe their overall general experiences with the program. Although telecommuters worked largely independently, instructions advised that questions should be answered in terms of the supervisor’s typical experience with individual telecommuters, rather than by describing a group-level phenomenon (e.g. team innovativeness, group negotiation).

Supervisor demographics. Supervisors reported their gender (0 = male, 1 = female), age, and position tenure (in years).

Structural conditions. Supervisors came from different branches and differed in the number of employees they managed in and outside the program.

Job constraints. Jobs in corporate tax involved greater restrictions due to required onsite presence at industrial clients (e.g. obtaining and checking data, personal interaction), whereas electronic workflow and limited contacts with citizens created fewer structural constraints in income tax. Supervisors managed employees only in one branch, which they indicated on a dichotomous option in the survey (job constraints = 1 for corporate tax and 0 for income tax).

Unit- and group size. Supervisors indicated: (a) overall number of workers managed (unit size), and (b) number of telecommuting workers (group size).

Employee initiative. Three items adapted from a personal initiative measure operationalized worker proactivity in terms of self-starting, persistent, and anticipatory pursuit of goals (Frese et al., 1997). Its stem was: “Overall, to what extent are the following statements true for your telecommuting employees?” Items were:

1. “They take initiative immediately even when others don’t.”
2. “They use opportunities quickly in order to attain their goals.”
3. “They are particularly good at turning ideas into action.”
Telecommuting subordinates were rated on a five-point scale from “not at all” (1), “slightly” (2), “somewhat” (3), “to a great extent” (4), “to a very great extent” (5).

**Unfulfilled obligations.** Three commonly used items assessed the general level of fulfillment or violation of the psychological contract (e.g. Robinson and Rousseau, 1994; Robinson *et al.*, 1994), adapted to measure supervisor perceptions of unfulfilled employer obligations toward their telecommuting subordinates. The same stem and five-point scale reported above was used. Items were:

1. “The organization has not fulfilled its obligations towards them”;
2. “The organization has provided them with everything it promised” (reversed); and
3. “The organization has broken commitments it made to them”.

Note that this scale captures the degree of unfulfilled obligations and resulting indebtedness towards employees from an employer agent/supervisor perspective and not psychological contract violation or breach as subjectively experienced by employees (Dabos and Rousseau, 2004; Tekleab and Taylor, 2003).

**Supervisor authorization of i-deals.** Adapting the measure developed by Rousseau and Kim (2006), supervisors were instructed to recall the degree to which their telecommuting employees had “asked for and successfully negotiated [with them], individual conditions that deviate from official regulations or standards applying to peers in comparable positions”. Supervisors were asked to rate the extent to which they had authorized such individual arrangements, using the same five-point scale as above. Two items assessed each of the following dimensions:

- Development i-deals (i.e. “individual opportunities for career development”, “personally challenging work assignments and goals”).
- Flexibility i-deals (i.e. “special flexibility in working hours”, “customized work schedules”).
- Workload reduction i-deals (i.e. “reduced work hours”, “reduced workload”).

**Supervisor evaluation of work arrangement.** Supervisors were asked to evaluate the effects of the telecommuting arrangement on their participating subordinates. They were instructed to reflect on any observable changes in their telecommuting employees’ work performance, motivation, and work-life balance since they had entered the program. Three customized three-item scales, developed for program evaluation purposes (Glaser and Hornung, 2004), were used:

1. **Increased performance standards.** To operationalize performance-related changes, supervisors were asked to report whether their own standards regarding the work performance expected from their telecommuters had risen since they had begun telecommuting. Supervisors evaluated increases in their performance standards using three items with the five-point Likert scale above: “the amount of work”, “the quality of work results”, and “the compliance with deadlines”. Note that this scale refers to increases in supervisor standards, an important focus in the context of escalating performance demands within the administration generally due to financial cuts and expanding duties.
Changes in employee motivation. Three items assessed supervisor evaluations of changes in their employees’ job motivation attributable to the new working arrangement. On a five-point scale, supervisors rated whether during the program the “achievement motivation”, “job involvement”, and “positive job attitudes” of their telecommuting employees “decreased to a great extent” (1), “decreased somewhat” (2), “stayed unchanged” (3), “increased somewhat” (4) or “increased to a great extent” (5).

Changes in employee work-life balance. Three items captured supervisor evaluations of the program’s overall effect on their telecommuting employees’ work-life balance. Again, supervisors were instructed to rate consequences based on their observations of changes in the quality of their employees’ work arrangements. The same five-point change-scale as for the previous measure was used. Items referred to changes in “work-life balance”, “compatibility of work and private life” and “room for leisure time”.

Results
Scale analyses
Internal consistency was high for flexibility i-deals (0.88), but lower for development i-deals (0.69), and workload reduction i-deals (0.68). Since alpha coefficients are sensitive to the number of items, the latter values are considered still acceptable for two-item scales (Cronbach, 1951). All three-item scales attained reliability ranging between 0.72 and 0.83. Following the conventional two-step approach in structural equation modeling, we used confirmatory factor analysis (CFA) to evaluate the psychometric quality of our instruments based upon established goodness-of-fit indices and their conventional cut-offs (Brown, 2006; Byrne, 2001; Bentler and Bonett, 1980).

The overall discrepancy between model and data is indicated by the chi-square ($\chi^2$) statistic with higher values signifying more deviation. As common practice, its significance is not considered sufficient for model rejection (Brown, 2006; Kline, 1998). The relative chi-square ($\chi^2$/df) is commonly regarded to signify good fit, if it remains below values of 2.0 or 3.0, partly depending on sample size, however, values up to 5.0 are sometimes still considered acceptable (Byrne, 2001). For the present study, we chose a medium cut-off of 3.0 for this indicator (Carmine and McIver, 1981). By convention, incremental fit index (IFI), tucker lewis index (TLI) and comparative fit index (CFI) should lie above 0.90 (Bentler and Bonett, 1980; Kline, 1998). Special attention should be paid to the root mean square error of approximation (RMSEA) as it corrects for model complexity. This fit index is relatively unaffected by sample size (Byrne, 2001). By convention, the RMSEA indicates good fit, if it remains smaller or equal to 0.05 (Browne and Cudeck, 1993), but estimates up to 0.08 are acceptable (Kline, 1998). As the statistical distribution of RMSEA is known, it allows for testing whether its probability is equal or less than 0.05 (Byrne, 2001). Here, a significant result means that the RMSEA is too high to indicate good fit. We also report the lower and upper boundary of a 90 percent confidence interval (CI) of RMSEA, which should be low and preferably narrow to indicate a reliable estimate (Byrne, 2001).

First, we tested a three-factor model for supervisor authorization of i-deals (development, flexibility, workload reduction). A non-significant chi-square, high comparative indices (IFI, TLI, CFI), and an RMSEA below 0.05 indicate good fit,
according to the above criteria. We note that a rather broad 90 percent confidence interval of RMSEA includes values up to 0.086, which we attribute to the use of only two manifest indicators per latent variable (Kline, 1998; Brown, 2006). Subsequently, we successfully identified a five-factor structure for the remaining five scales in a measurement model of employee initiative, unfulfilled obligations, and supervisor evaluations of work arrangements (increased performance standards, changes in employee motivation, and changes in employee work-life balance). In a third step, all seven scales were combined and re-tested, again demonstrating good psychometric properties. As shown in Table I, we also compared all measurement models with one-factor solutions (all items loading on one latent construct), none of which were acceptable. This step provides further support for the validity of the hypothesized factor structure. It also indicates that common method bias is not especially problematic (Podsakoff et al., 2003).

Descriptive statistics and scale correlations are reported in Table II. The three dimensions of development, flexibility, and workload reduction were positively interrelated. The prevalence of flexibility i-deals is highest ($M = 2.52$, $SD = 1.48$), though below the scale midpoint, followed by development i-deals ($M = 2.21$, $SD = 1.13$). The extent of workload reduction i-deals is the lowest ($M = 1.24$, $SD = 0.56$).

**Model testing**

After establishing appropriate scale measurement properties, we constructed a structural model of supervisor authorization and evaluation of i-deals. After controlling for supervisor demographics (gender, age, and position tenure), structural determinants (job constraints, unit and group size) and contextual influences from both worker behavior (employee initiative) and the employment relationship (unfulfilled obligations) were modeled as effects on supervisor authorization of all three forms of i-deals. Direct effects from development, flexibility, workload reduction i-deals were included along with all three dimensions of supervisor evaluation of work arrangements (increased performance standards, changes in employee motivation, and changes in employee work-life balance) as

<table>
<thead>
<tr>
<th></th>
<th>$\chi^2$</th>
<th>df</th>
<th>$\chi^2$/df</th>
<th>IFI</th>
<th>TLI</th>
<th>CFI</th>
<th>RMSEA [CI]</th>
</tr>
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<tbody>
<tr>
<td>I-deals: 3 Factors$^a$</td>
<td>19.21</td>
<td>12</td>
<td>1.60</td>
<td>0.98</td>
<td>0.96</td>
<td>0.98</td>
<td>0.048 [0.000, 0.086]</td>
</tr>
<tr>
<td>I-deals: 1 Factor$^a$</td>
<td>178.32</td>
<td>**</td>
<td>15</td>
<td>11.89</td>
<td>0.60</td>
<td>0.35</td>
<td>0.65 [0.178, 0.231]</td>
</tr>
<tr>
<td>Other scales: 5 Factors$^b$</td>
<td>138.86</td>
<td>**</td>
<td>80</td>
<td>1.70</td>
<td>0.96</td>
<td>0.96</td>
<td>0.052 [0.036, 0.066]</td>
</tr>
<tr>
<td>Other scales: 1 Factor$^b$</td>
<td>1094.44</td>
<td>**</td>
<td>90</td>
<td>12.16</td>
<td>0.22</td>
<td>0.06</td>
<td>0.20 [0.196, 0.217]</td>
</tr>
<tr>
<td>All scales: 8 Factors$^c$</td>
<td>90.56</td>
<td>**</td>
<td>32</td>
<td>2.83</td>
<td>0.98</td>
<td>0.95</td>
<td>0.046 [0.035, 0.057]</td>
</tr>
<tr>
<td>All scales: 1 Factor$^c$</td>
<td>1566.47</td>
<td>**</td>
<td>189</td>
<td>8.28</td>
<td>0.24</td>
<td>0.05</td>
<td>0.23 [0.159, 0.174]</td>
</tr>
</tbody>
</table>

**Notes:** $n = 263$; $**p < 0.01$, $*p < 0.05$; $\chi^2 = $ chi-square discrepancy; df = degrees of freedom; $\chi^2$/df = relative chi-square; IFI = Incremental Fit Index; TLI = Tucker Lewis Index; CFI = Comparative Fit Index; RMSEA = Root Mean Square Error of Approximation; CI = 90 percent Confidence Interval; $^a$Development i-deals, flexibility i-deals, workload reduction i-deals; $^b$Employee initiative, unfulfilled obligations, increased performance standards, changes in employee motivation, and changes in employee work-life balance; $^c$Development i-deals, flexibility i-deals, workload reduction i-deals, employee initiative, unfulfilled obligations, increased performance standards, changes in employee motivation, and changes in employee work-life balance
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<tr>
<th></th>
<th>M</th>
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<tr>
<td>1</td>
<td>Gender (female)</td>
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<tr>
<td>2</td>
<td>Age (years)</td>
<td>53.34</td>
<td>6.64</td>
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<tr>
<td>3</td>
<td>Position tenure (years)</td>
<td>6.36</td>
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<td>0.26**</td>
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<td>-</td>
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<td>-0.17*</td>
<td>0.19*</td>
<td>0.01</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
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<td>Unit size</td>
<td>13.45</td>
<td>5.42</td>
<td>-0.19**</td>
<td>0.02</td>
<td>0.00</td>
<td>-0.39**</td>
<td>-</td>
<td>-</td>
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<tr>
<td>6</td>
<td>Group size</td>
<td>2.94</td>
<td>2.06</td>
<td>-0.19**</td>
<td>0.17**</td>
<td>-0.07</td>
<td>0.40**</td>
<td>-0.11</td>
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<tr>
<td>7</td>
<td>Employee initiative</td>
<td>3.09</td>
<td>0.71</td>
<td>0.09</td>
<td>-0.05</td>
<td>0.02</td>
<td>-0.22**</td>
<td>0.16*</td>
<td>-0.12</td>
<td>0.83</td>
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<tr>
<td>8</td>
<td>Unfulfilled obligations</td>
<td>1.40</td>
<td>0.51</td>
<td>0.07</td>
<td>-0.02</td>
<td>0.02</td>
<td>-0.16*</td>
<td>0.12</td>
<td>0.00</td>
<td>0.09</td>
<td>0.74</td>
<td>-</td>
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<td>9</td>
<td>Development i-deals</td>
<td>2.21</td>
<td>1.12</td>
<td>-0.01</td>
<td>-0.04</td>
<td>-0.06</td>
<td>-0.02</td>
<td>0.00</td>
<td>-0.07</td>
<td>0.19**</td>
<td>0.10</td>
<td>0.69</td>
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<td>Flexibility i-deals</td>
<td>2.52</td>
<td>1.48</td>
<td>0.02</td>
<td>-0.03</td>
<td>0.08</td>
<td>-0.29**</td>
<td>0.03</td>
<td>-0.24**</td>
<td>0.16**</td>
<td>0.07</td>
<td>0.31**</td>
<td>0.88</td>
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<td>11</td>
<td>Workload reduction i-deals</td>
<td>1.24</td>
<td>0.56</td>
<td>0.16*</td>
<td>-0.09</td>
<td>-0.01</td>
<td>-0.22**</td>
<td>0.04</td>
<td>-0.12*</td>
<td>0.04</td>
<td>0.27**</td>
<td>0.17**</td>
<td>0.24**</td>
<td>0.68</td>
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<tr>
<td>12</td>
<td>Increased performance standards</td>
<td>2.85</td>
<td>0.96</td>
<td>-0.03</td>
<td>0.11</td>
<td>-0.03</td>
<td>0.04</td>
<td>0.03</td>
<td>0.05</td>
<td>0.10</td>
<td>-0.00</td>
<td>0.20**</td>
<td>-0.02</td>
<td>0.02</td>
<td>0.72</td>
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<tr>
<td>13</td>
<td>Changes in employee motivation</td>
<td>3.59</td>
<td>0.50</td>
<td>0.14*</td>
<td>-0.15*</td>
<td>-0.11</td>
<td>-0.02</td>
<td>0.03</td>
<td>-0.02</td>
<td>0.32**</td>
<td>-0.12</td>
<td>0.14*</td>
<td>0.05</td>
<td>-0.03</td>
<td>0.08</td>
<td>0.82</td>
</tr>
<tr>
<td>14</td>
<td>Changes in employee work-life balance</td>
<td>3.93</td>
<td>0.50</td>
<td>0.05</td>
<td>0.01</td>
<td>0.03</td>
<td>-0.14*</td>
<td>0.01</td>
<td>-0.15*</td>
<td>0.04</td>
<td>-0.07</td>
<td>0.09</td>
<td>0.19**</td>
<td>0.05</td>
<td>0.13*</td>
<td>0.09</td>
</tr>
</tbody>
</table>

**Notes:** $n = 263$, **$p < 0.01$, *$p < 0.05$, M = Mean; SD = Standard Deviation; italicized values in diagonal are Cronbach’s alpha coefficients.
potential outcomes. This structural model is shown in Figure 1. Applying the same standards for evaluating fit as reported above, the specified model is supported. The relative chi-square was low at $\chi^2/df = 1.60$, IFI, and CFI were 0.92, and the TLI was just above the conventional 0.90 cut-off, partly attributable to the inclusion of control variables. The probability of a population RMSEA higher than 0.05 is non-significant, and a relatively narrow and low confidence interval indicates a reliable RMSEA estimate of 0.048.

Supervisor gender, age, and position tenure had no relationship with i-deals. In accordance with $H1$, job constraints, unit size, and group size related negatively to the extent supervisors had authorized flexibility i-deals ($\beta = -0.29, p < 0.01$; $\beta = -0.16, p < 0.05$; and $\beta = -0.16, p < 0.05$), and partially workload reduction i-deals ($\beta = -0.21, p < 0.05$; $\beta = -0.09, ns$; and $\beta = -0.06, ns$), but not development i-deals ($\beta = 0.11, ns$; $\beta = -0.04, ns$; and $\beta = -0.12, ns$). Consistent with $H2$, supervisor assessment of employee initiative was positively related to authorizing both development i-deals ($\beta = 0.29, p < 0.01$) and flexibility i-deals ($\beta = 0.14, p < 0.05$), but not workload reduction i-deals ($\beta = -0.04, ns$). In partial support of $H3$, unfulfilled obligations were positively associated with workload reduction i-deals ($\beta = 0.34, p < 0.01$), though not with flexibility i-deals ($\beta = 0.08, ns$) or development i-deals ($\beta = 0.06, ns$). These empirical results show a more differentiated pattern than our first three hypotheses postulated.

On the outcome side, $H4$ specified that developmental i-deals would relate to increases in performance standards and employee motivation. Corresponding with predictions, authorization of developmental i-deals was positively related to supervisor reports of increased performance standards ($\beta = 0.33, p < 0.01$) and their evaluation of changes in employee motivation ($\beta = 0.15, p < 0.05$). No effect on observed changes in employee work-life balance could be detected ($\beta = 0.06, ns$). In accordance with $H5$, flexibility i-deals related to a positive assessment of changes in employee work-life balance ($\beta = 0.23, p < 0.01$), but not to increased performance standards ($\beta = 0.11, ns$), or perceived changes in employee motivation ($\beta = 0.05, ns$). In contrast, $H6$ received no empirical support, as workload reduction i-deals were unrelated to supervisor reports of increased performance standards ($\beta = -0.02, ns$), changes in employee motivation ($\beta = -0.10, ns$), and work-life balance ($\beta = -0.03, ns$).

To further assess the statistical contribution of i-deals for supervisor evaluations of the work arrangement, we added direct effects from:

- structural conditions (job constraints, unit size, group size);
- employee initiative; and
- unfulfilled obligations on the three evaluated dimensions.

For structural conditions, adding direct paths did not meaningfully improve model chi-square ($\Delta \chi^2 = 8.95, ns$, $\Delta df = 9$) and none of the nine additional paths was significant. Adding three direct paths from employee initiative did increase model fit ($\Delta \chi^2 = 20.17, p < 0.01$, $\Delta df = 3$). Estimated coefficients were significant for changes in employee motivation ($\beta = 0.34, p < 0.01$), marginal for increased performance standards ($\beta = 0.15, p < 0.10$) and close to zero for changes in employee work-life balance ($\beta = 0.01, ns$). Direct paths from unfulfilled employer obligations further reduced model chi-square ($\Delta \chi^2 = 13.64, p < 0.01$, $\Delta df = 3$) and yielded negative associations with motivational changes ($\beta = -0.21, p < 0.01$) and work-life changes.
Figure 1. Structural model on supervisor authorization and evaluation of i-deals

Model Fit: N = 263; χ² = 429.38**; df = 269; χ²/df = 1.60; IFI = 0.92; TLI = 0.90; CFI = 0.92; RMSEA [CI] = 0.048 [0.039, 0.056]

Notes: **p < 0.01, *p < 0.05, correlations of independent variables and coefficients for non-significant controls (Gender, Age, Position Tenure) not displayed; χ² = chi-square discrepancy; df = degrees of freedom; χ²/df = relative chi-square; IFI = Incremental Fit Index; TLI = Tucker Lewis Index; CFI = Comparative Fit Index; RMSEA = Root Mean Square Error of Approximation; CI = 90% Confidence Interval
The previously reported ten significant paths in the model (7 leading to and 3 from supervisor authorization of i-deals) were unaffected by these additional paths, remaining stable in size and significance levels. The additional analyses thus indicate that i-deals make an independent and robust contribution in explaining supervisor evaluations, even after controlling for structural conditions, employee initiative, and unfulfilled obligations. However, the fact that influences of employee initiative and unfulfilled obligations were not fully mediated by supervisor agreement to i-deals (Kline, 1998; Byrne, 2001) also demonstrates that individually negotiated terms are only one way these more general categories of proactive behavior and the employment relationship can affect an ongoing work arrangement.

Discussion
Supervisors differentiated among the three forms of i-deal, development, flexibility, and workload reduction. They tended to authorize each arrangement under somewhat different conditions and evaluated their consequences differently as well. Development i-deals were most strongly influenced by supervisor perceptions of employee initiative, but were largely independent of structural conditions and unfulfilled obligations towards workers. Moreover, the extent to which supervisors had authorized development i-deals during the program related to increases in their performance standards and a positive evaluation of changes in their employee's work motivation. Flexibility i-deals also were more likely to be granted to proactive workers, but their authorization was to a great degree influenced by structural conditions. Constraints arising from job type, the number of overall supervised employees (unit size), and the number of supervised telecommuters (group size) related negatively to the authorization of flexible time arrangements. Supervisors, who had agreed to flexibility i-deals with their telecommuters, evaluated the overall effect of this working arrangement on their employees' work-life balance more positively. Workload reduction i-deals were the only form that tended to be authorized in the context of unfulfilled obligations towards employees and were also negatively influenced by job constraints. Contrary to our expectations, this dimension was unrelated to developments in supervisor performance expectations or the assessment of work-life changes.

The differential results pattern across the forms of i-deals studied here advances our knowledge in several ways. Proactivity has been suggested as a precondition for workers to take initiative and seek out special terms (Parker and Collins, n.d.; Ashford and Black, 1996). Our study supports this view from a supervisor perspective. Customized development opportunities and individual flexibility in work schedules were authorized to a greater extent where supervisors managed high initiative employees. The argument that structural conditions will impose restrictions on i-deal negotiation holds primarily for flexibility i-deals and to a lesser extent for workload reduction i-deals. Supervisors may refrain from authorizing individual flexibility in light of inherent job constraints on time and location, and to reduce coordination complexity in managing larger numbers of employees (Lowery et al., 2006; Rousseau, 2004). These constraints on flexibility and workload reduction do not apply to development i-deals. One possibility is that norms of equal treatment might operate on development i-deals in this setting less than originally assumed (Greenberg et al., 2004).
Moreover, the visibility of developmental arrangements to coworkers may be limited by the distributed work environment of teleworkers (Kurland and Egan, 1999). Supervisors of larger groups might also have more access to resources and opportunities, making it easier to support their subordinates’ professional development.

A more fine-grained analysis of the justice implications of i-deals warrants attention. This is demonstrated by inconclusive results regarding i-deals as a means of remedying unfulfilled employer obligations. Workers are thought to seek out, and supervisors to authorize, i-deals as a means of compensating for undelivered organizational rewards (e.g. payment, promotions, working conditions; Rousseau, 1995, 2006; Robinson et al., 1994; Turnley and Feldman, 1999). Unfulfilled obligations in the present study were, only related to authorization of workload reduction i-deals. As employee initiative was independent of reductions in workload, these arrangements might be looked upon by supervisors as less proactively sought out and more readily granted to compensate for contributions they feel their workers are entitled to (Stinglhamber and Vandenberghe, 2003). The administration we studied was undergoing restructuring (e.g. centralizing two sections into one tax department, technology updating). Performance demands were increasing in consequence of directives limiting head counts and new hires. Employees were openly concerned about extended unpaid work hours, wage levels falling below industry standards, limited promotion opportunities, and lack of public recognition. The telecommuting program was part of the administration’s efforts to overcome these concerns and become a more attractive employer (Glaser and Hornung, 2004). As tax law is a specialized and dynamic field, worker retention was a key program goal. Especially in the income tax division, where a lower number of telecommuting positions were implemented, program participation was based on both work (e.g. job type, proficiency) and personal criteria (e.g. family situation, health problems). Supervisor authorization of workload reduction i-deals can constitute an intervention in support of this program objective (e.g. shorten parental leaves, prevent early retirement, reduce sick days) – criteria this study did not examine. However, we note that the extent of workload reduction i-deals in our sample is very low and lack of observed effects may be attributable to low base rate.

I-deals have been conceptualized as mutually beneficial arrangements. In this study, we provide first empirical results on differential effects of i-deals from a supervisor or employer perspective. Authorizing development i-deals was related to supervisor judgment of positive changes in employee motivation and performance, whereas flexibility i-deals were associated with observed improvements in employee work-life balance. Positive effects of development and flexibility i-deals on the employment relationship thus seem to complement each other. Individual flexibility in work schedule can provide employees with the necessary resources to balance higher engagement at work with their personal and family life (e.g. working preferred hours, using time for personal development or training; Thornthwaite, 2004; Steward, 2000; Konradt et al., 2000; Perlow, 1997).

I-deals are negotiated on the basis of heterogeneous needs and therefore differ in content and scope (Rousseau et al. 2006). Mutually beneficial arrangements, however, are best represented by a combination of personal flexibility and development (Sparrow, 2000; Maurer et al., 2002). It may be particularly advantageous for
supervisors of workers with flexible arrangements to give special attention to creating individually appropriate performance goals and providing opportunities for professional advancement (Cascio, 2000; Konradt et al., 2000; Kurland and Egan, 1999). Neglect of these issues has been implicated in the long-term career disadvantage experienced by teleworkers and others with nonconforming work arrangements (cf. Perlow, 1997). Explicitly addressing performance expectations and the professional- and career-related implications of any idiosyncratic arrangement offers a way to make and maintain these agreements as functional for both employees and employer over the long-term.

Limitations
As i-deals are conceptualized as individually negotiated conditions, they are contingent on both employee initiation and employer authorization (Rousseau, 2005). This phenomenon intersects both individual and organizational processes and thus future research should incorporate data sources from both the organization and individual perspectives. Future research should also be longitudinal as a cross-sectional study such as ours cannot assess possible reverse causation as in the case where the request for an i-deal influences supervisor assessments of employee’s initiative or violation (Podsakoff et al., 2003; Byrne, 2001). Our results from the supervisor perspective can be to some extent validated by previous research from the employee perspective. In a survey study conducted among workers in the same administration, structural influences and self-reports of personal initiative influenced the likelihood of obtaining flexibility and development i-deals, which, in turn, showed comparable differential associations with performance standards, affective commitment and work-family conflict as reported here (Hornung et al., 2008a). It also confirms the assumption that employees outside the program had less opportunity to create flexibility i-deals. However, these results from the employee perspective were also cross-sectional and do not empirically differentiate seeking from successfully negotiating i-deals (Rousseau et al., 2006; Hornung et al., 2008b). Advances in measurement and longitudinal studies matching supervisors and employee dyads and/or groups are a logical next step for a closer investigation of antecedents, consequences, and dynamics of idiosyncratic deals. In the present research setting, aggregating supervisor and employee data to such a meaningful level was impossible due to confidentiality concerns in the administration and consequent lack of matching criteria.

Studying a telecommuting program provided a unique opportunity to investigate supervisory perspectives on potential effects of i-deals. These were examined in terms of statistical associations of i-deal authorization with supervisor assessments of the program’s effects on their employees. Note that questions referred to the perceived effects of working arrangements that have been shaped or accentuated by supervisor agreement to i-deals. However, no mention of i-deals was made in the survey section on evaluating changes, which referred to consequences of the program as a whole. Methodologically, this is advantageous as it provides a more rigorous testing than specifically asking supervisors for their evaluation of the effects of i-deals. Such a direct measurement would likely be more biased by social desirability and common method variance (Podsakoff et al., 2003). Scales used here were developed to evaluate this specific program rather than established instruments. Retrospectively evaluating changes in one’s own performance standards, as well as subordinates’ motivation, and
work-life balance over a period of typically two years introduces cognitive complexity. Any retrospective assessment is potentially subject to recall and response biases (Lippman and Mackenzie, 1985). In retrospective trial-control studies, where compared groups are based on critical life events (e.g. sickness, unemployment) which may lead them to attribute different importance to past occurrences (e.g. exposure to risk factors, autobiographical details), recall bias is a potential source of systematic error. However, we note that recall bias, where evidence for its existence can be found, influences the absolute extent or quantity of reported events, but not the relative response pattern (Teschke et al., 2000; Horvath, 1982). For the design of the present study this is of lesser relevance. Although the cognitive capacity of respondents may influence the individual accuracy of reports (introducing random error), we had no reason to believe that supervisors would systematically differ with regard to recall bias (Edwards et al., 2003). Evaluated domains (performance standards, motivation, and work-life balance) are essential for managing flexible workers and therefore should be salient to supervisors. From an organizational point of view, feedback from supervisors on these dimensions was considered important to evaluate the effectiveness of the flexibility program from a managerial perspective. Our use of confirmatory factor analysis and structural equation modeling is intended to overcome the limitations from using abbreviated or newly developed research instruments by providing a rigorous method for data analysis.

As idiosyncratic arrangements are always context-specific to some degree (Rousseau, 2005), our setting warrants a discussion regarding generalizability. I-deals, by definition, deviate from standard human resource practices and policies. But rules are also shaped by the individual cases to which they are applied (Feldman and Pentland, 2003; Chen and Wilson, 2003; Razi, 2006). Existing regulations or standards form the basis on which employees negotiate or craft individual modifications (Wrzesniewski and Dutton, 2001). For telecommuters, the program opened up opportunities to negotiate special arrangements to shape and expand the scope of flexibility that this new arrangement offered. Supervisors may also have been encouraged to authorize i-deals due the program’s legitimation of individualized jobs, its support for novelty, and acknowledgement of supervisory discretion to grant customized arrangements. Although flexibility i-deals were reported to the greatest extent, all three forms of i-deals had only moderate to low means. Their low incidence can be taken as an indicator that i-deals remained exceptional in nature. Our results suggest that minor degrees of customization do occur even in highly bureaucratic workplaces and can have powerful impacts on the employment relationship. Nonetheless, flexibility i-deals seem to be strongly influenced by structural and organizational factors and thus attention is warranted to their interplay with human resource practices and job-related constraints.

**Implications for future research**

Research on i-deals offers multiple avenues to pursue. From the employee perspective i-deals have been examined to date, among health care employees and knowledge workers in the US and Germany (Rousseau and Kim, 2006; Lai et al., 2009; Hornung et al., 2008b). To determine their broader role in shaping employment relationships and changing organizations, more studies in different settings and professions are needed. We still do not know enough about the judgments underlying managerial decisions...
Another matter for future research is a phenomenon that might be labeled “we-deals,” that is, where groups of workers bargain for new conditions of employment. A case in point, employees in a university computing unit bypassed their own supervisor to negotiate the creation of a semi-autonomous work group to improve customer service. Negotiated with a higher level manager and the human resource department, the deal involved rewriting their job descriptions and eliminating an incompetent supervisor’s position. Idiosyncratic arrangements are ways individual workers can exercise workplace control and leverage. When individual workers join forces they may use their collective competencies to negotiate preferred arrangements with their employer.

Though the focus to date has been on successfully negotiated individual arrangements, little is known regarding the consequences for the employment relationship where workers fail in their efforts to obtain i-deals (Hornung et al., 2008b). Moreover, there can be alternative ways for workers to obtain idiosyncratic work arrangements. For example, workers do engage in self-discretionary job crafting without asking for permission from the supervisor (Wrzesniewski and Dutton, 2001). It is possible that workers may indeed add idiosyncratic features to their employment (vary their schedules, drop one task and acquire others) without seeking permission. A combination of quantitative and qualitative methods may be best suited to further uncover the variety of forms that i-deals and related arrangements can take.

Implications for practice
There are good reasons why human resource practices are often standardized. Consistency can keep costs down, allow effective communication regarding company benefits, promote equal treatment and a sense of common fate among employees, and ease personnel administration. However, no policy can fit all circumstances. Local adaptations, special arrangements, and workarounds are inevitable (Chen and Wilson, 2003; Razi, 2006). Organizations can best respond by making an effort to learn why and when such arrangements come about, and how functional they are for all parties involved. Their value and meaning may ultimately depend on the organization’s larger human resource practices, compensation and benefits structure, and the broader ways rewards are allocated (Feldman and Pentland, 2003; Lee et al., 2000). I-deals yield more positive responses from workers where they supplement – as opposed to substitute for – standardized benefits and supports (Rousseau et al., 2006; Lai et al., 2009). An organization relying largely on i-deals as a basis for compensation is likely to create a sense of workplace injustice and mistrust. In firms where i-deals supplement standard practices, i-deals provide reasonable flexible in face of individual differences in needs and interests and allow managerial discretion to give rewards and supports in flexible and well-deserved ways (Rousseau, 2001). These arrangements can be highly functional, if implemented with attention to interactional and procedural justice (Greenberg et al., 2004).

Coworkers are an important third-party to i-deals (Lai et al., 2009). Sharing information regarding i-deals and their consequences can be a way supervisors can increase a sense of fairness in dealing with individual requests as well as identify promising future human resource practices. Individual deals that work well can form
the basis of more general policies suiting both employer and workers (Lawler and Finegold, 2001; Feldman and Pentland, 2003). Personnel policy can inadvertently drive such arrangements under the table (Rousseau, 2004) out of fear that exceptions will be treated as rule violations. This clandestine deal making, however, means that the rest of the organization is denied the opportunity to learn whether certain kinds of arrangements work well for the company. The potential for organizational learning and innovation i-deals offer is optimized when they can be openly discussed.

Conclusion
By authorizing i-deals, supervisors can construct alternative work arrangements for their subordinates that actually enable and enhance a firm’s human resource practices. Employees seeking i-deals in turn can realize customized arrangements that best suit their own personal needs. The present study provides evidence that supervisors can be motivated to authorize effective i-deals in the context of broader organizational programs that legitimate and support their negotiation.

References


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