THE DEVELOPMENT OF I-DEALS DURING THE EARLY CAREER: A LONGITUDINAL STUDY

INE WILLEMSE
ANS DE VOS
DIRK BUYENS

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INE WILLEMSE
Vlerick Business School
ANS DE VOS
Antwerp Management School
DIRK BUYENS
Vlerick Business School

Contact:
Ine Willemse
Address: Reep 1, 9000 Gent, Belgium
Phone: ++32 9 210 92 41
Fax: ++32 9 210 97 57
E-mail: ine.willemse@vlerick.com
ABSTRACT

Both organizations and employees experience a growing need for customization and individualization of various aspects of the employment relationship (Rousseau, Ho, & Greenberg, 2006). As such, individual negotiated employment arrangements, also known as idiosyncratic deals or i-deals, are becoming widespread in today’s workplace (Lawler & Finegold, 2000). In this study, we distinguish development i-deals from flexibility i-deals and assess the role of proactive career behaviours and self-perceived employability as antecedents of successful i-deal negotiation. Moreover, we also examine the moderating role of self-perceived employability in the relationship between proactive career behaviours and i-deals. In doing so, this paper discusses the results of a two-wave longitudinal study among 168 graduates. The hypotheses were tested through hierarchical regression analyses.

Results show that proactive career behaviours at time of graduation were positively related to both development and flexibility i-deals. Moreover, self-perceived employability was positively related to development i-deals, whereas no relationship with flexibility i-deals was found. Finally, self-perceived employability moderated the relationship between proactive career behaviours and development i-deals. In sum, our results show that the employability literature is a relevant framework for studying i-deals. Additionally, this study stresses the importance of proactive career behaviours during the early career stage.

Keywords: idiosyncratic deals, employability, proactive career behaviours, school-to-work transition
INTRODUCTION

In the past decades, the employment relationship has undergone substantial changes (Shore, Coyle-Shapiro, & Tetrick, 2012). Due to the rise of knowledge work, changing conditions on the labour market and the emergence of so-called new careers, both individuals and organizations experience a growing need for customization and individualization of various aspects of the employment relationship (Leana & Rousseau, 2000; Rousseau, Ho, & Greenberg, 2006). Whereas standardization and consistency used to be the norm, we now see a general shift towards differentiation and flexibility (Rousseau, 2005). Individuals increasingly negotiate on individualized employment arrangements with their employer and as such, idiosyncratic deals or i-deals have become widespread in the contemporary workplace.

Although i-deals are a common practice in current organizational reality, research on this topic is still in its early stages (Lawler & Finegold, 2000; Rousseau, 2005; Rousseau, Hornung, & Kim, 2009). Up until now, there is little insight into the interrelatedness of career-related variables and i-deals over time. Rather surprisingly, since career variables that are commonly used in career research might be interesting to the field of i-deals as well. First, it is to expect that those variables that are considered to be critical for employee’s career success, play an important role in the successful negotiation of i-deals. Both in careers literature as well as in i-deals literature, the role of the individual employee as an active agent is stressed. Central to the concept of i-deals is that individual employees reach an agreement with their employer by actively engaging in a negotiation process (Rousseau, 2005). Likewise, one of the central premises in careers literature is that organizations can no longer guarantee lifetime employment for their employees (Forrier & Sels, 2003) and as such, not organizations, but individuals are considered to be the primary responsible for career management. Second, i-deals can be an important means through which employees actively shape their careers. By negotiating i-deals with their employer, employees can customize their current job, but also their future career and development opportunities. Therefore, the interrelatedness of career-related variables and i-deals deserves particular attention.

This paper explores the development of i-deals during individual’s early career. More specifically, we will assess the role of proactive career behaviours and employability, two concepts that have been identified as important antecedents of contemporary career success (Sturges, Guest, Conway, & MacKenzie Davey, 2002; Sturges, Conway, Guest, & Liefooghe, 2005; Van Der Heijde & Van Der Heijden, 2006), in terms of their impact on the successful negotiation of i-deals. In doing so, we describe the results of a two-wave longitudinal study among graduates making the transition
from school to work. The graduates population is especially relevant to our research topic since the school-to-work transition is the first major career transition that individuals go through (Ng & Feldman, 2007). During this transition, the foundations for future proactive career behaviours and career success are set (De Vos, De Clippeleer, & Dewilde, 2009).

*Idiosyncratic deals*

Rousseau, et al. (2006), define idiosyncratic deals as “voluntary, personalized agreements of a non-standard nature negotiated between individual employees and their employers regarding terms that benefit each party”. In essence, an i-deal entails a win-win agreement that benefits both the employee as well as the employer. I-deals vary broadly, both in terms of their scope and content. In terms of scope, i-deals can range from a modification of one specific aspect of the employment relationship to a fully personalized employment arrangement (Rousseau, 2005). In terms of content, i-deals can involve employment aspects as broad as work hours, development opportunities, wages, job roles and so on. In line with Hornung, Rousseau, & Glaser (2008), we will distinguish development I-deals from flexibility I-deals. Development I-deals refer to individualized agreements that allow employees to further develop their competencies and pursue their career goals (Hornung et al., 2008). Flexibility I-deals allow individuals to customize their working hours, both in terms of the number of hours employees are required to work as well as the way in which these working hours are scheduled (Hornung et al., 2008).

*Proactive career behaviours*

With the rise of new career models like the “protean” and “boundaryless” career, a self-directed attitude towards career management on behalf of the individual is stressed (Hall, 2002; Briscoe & Hall, 2006; Briscoe, Hall, & DeMuth, 2006). Whereas organizations used to be in charge of employees’ career development, nowadays, individuals are considered to be the primary responsible for managing their career (Briscoe & Hall, 2006; Hall, 2002). Proactive career behaviours involve all actions that individuals undertake with the purpose of achieving their career goals (King, 2004; Kossek, Roberts, Fisher, & Demarr, 1998; Noe, 1996; Orpen, 1994; Sturges, Guest, & MacKenzie Davey, 2000; Sturges et al., 2002). Several authors have related proactive career behaviors to the attainment of career-related goals and overall feelings of career success (e.g. Sturges et al., 2002; 2005). Similarly, in the context of the school-to-work transition, graduates’ proactive career behaviours proved to be important for their later career success (De Vos et al., 2009).
Previous research has shown that proactive career behaviours encompass both a cognitive and a behavioural component (De Vos & Soens, 2008; De Vos et al., 2009). As such, individuals who engage in proactive career behaviours do not only reflect more on where they want to go with their career, they also undertake more initiatives directed towards achieving these career goals (Noe, 1996; Sturges et al., 2000; 2002). The development of i-deals can be one of these actions that employees undertake to actively manage their career. Think of a sales person who aspires to become sales manager and negotiates an i-deal in which he gets the permission to follow a training on people management skills.

Moreover, in i-deals literature, proactivity is considered to be a precondition to negotiate special terms (Hornung et al., 2008). Proactive career behaviours involve the application of proactivity to the specific context of career management (De Vos et al., 2009). Therefore, we expect that graduates who undertake more proactive career behaviours at the time of their graduation, and thus take on a more proactive role in managing their careers, will negotiate more i-deals in their early career.

**Hypothesis 1a.** Proactive career behaviours are positively related to development i-deals.

**Hypothesis 1b.** Proactive career behaviours are positively related to flexibility i-deals.

**Self-perceived employability**

Previous research on i-deals has shown that employee characteristics play an important role in i-deal negotiation (Rosen, Slater, Chang, & Johnson, 2011). More specifically, employers are more willing to grant i-deals to those employees whom they consider to be valuable to them (Rosen et al., 2011). Likewise, Rousseau (2005) indicated that the market power of employees or the value their employer places on them determines the extent to which they can ask for special arrangements. In the current career literature, the value of employees on the labour market is often expressed in terms of their employability. Van Der Heijde and Van Der Heijden (2006) define employability as “the continuous fulfilling, acquiring or creating of work through the optimal use of one’s competences”. As such, an employee’s employability refers to his ability to obtain and retain a job in his current organization or on the external labour market.

Although employability can be seen as an outcome of i-deals (Hornung, 2011), we expect it to play a role in the successful negotiation of i-deals as well. Employees who perceive their own
employability to be high, will be more likely to negotiate i-deals with their employer since they perceive their bargaining power to be stronger than employees with low levels of self-perceived employability. Furthermore, employers might be more willing to grant i-deals to highly employable employees out of fear of otherwise losing the valuable skills of these employees. Therefore, we expect a positive relationship between self-perceived employability and both development and flexibility i-deals.

**Hypothesis 2a.** Self-perceived employability is positively related to development i-deals.

**Hypothesis 2b.** Self-perceived employability is positively related to flexibility i-deals.

**Self-perceived employability as a moderator in the relationship between proactive career behaviours and i-deals**

As an extension to the above reasoning, we will assess the moderating role of self-perceived employability in the relationship between proactive career behaviours and i-deals. In hypotheses 1a and 1b we proposed that proactive career behaviours are positively related to both flexibility and development i-deals. Here, we argue that self-perceived employability will moderate the impact of proactive career behaviours on i-deals in such a way that the relationship between proactive career behaviours and i-deals will be stronger for employees who score low as compared to high on self-perceived employability. We expect that self-perceived employability weakens the positive impact of proactive career behaviours on i-deals. When employees score high on self-perceived employability, they hold a strong bargaining position in the negotiation and as such, their proactive career behaviours will impact the successful negotiation of i-deals to a lesser extent than when employees’ self-perceived employability is low.

**Hypothesis 3a.** Self-perceived employability moderates the relationship between proactive career behaviours and development i-deals, such that the relationship is stronger for employees who score low as compared to high on self-perceived employability.

**Hypothesis 3b.** Self-perceived employability moderates the relationship between proactive career behaviours and flexibility i-deals, such that the relationship is stronger for
employees who score low as compared to high on self-perceived employability.

Figure 1 gives an overview of the hypothesized relationships between the different constructs of our research model.

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**METHOD**

**Sample and procedure**

This study follows a two-wave longitudinal design with data collections taking place in May 2010 and May 2012. For the first data collection wave, graduate students were invited to fill out a survey in the final weeks before their graduation. These students were graduating from different Flemish colleges and universities and were surveyed through a combination of paper-and-pencil and online questionnaires. At the end of the questionnaire, respondents could indicate whether they would be willing to participate in a follow-up survey. Those students who provided their contact details were contacted to participate in the second survey via postal mail or e-mail in May 2012. By giving participants a personal code, the answers to the T1 and T2 questionnaires could be matched. At time 1, respondents were asked to report on their proactive career behaviours, whereas at time 2, the questionnaire included items on self-perceived employability, development i-deals and flexibility i-deals.

In total, 1290 graduate students completed the first survey and 452 of them indicated they were willing to participate in a follow-up survey. The two data collection waves resulted in a sample of useful and matched responses from 168 respondents, which equals a response rate of 37%. In socio-demographic terms, the sample consisted for 41.1% of men and for 58.9% of women. The average age was 25.4 years (s.d.=1.6) and most respondents (96.4%) worked fulltime. In terms of educational level, the majority of the respondents had a Master’s degree (62.5%), about one third (33.3%) had a Bachelor’s degree and 4.2% held a Master after Master’s degree.
Measures

Proactive career behaviours (α=.75) Our measurement of proactive career behaviours was based on the scale developed by Sturges et al. (2002), which consists of 16 items that address four dimensions of individual career management. For the purpose of our study, items were rephrased and only those items that were relevant for graduates without any prior work experience were included in the survey. As such, we adopted 12 items that relate to the subdimensions of ‘practical preparation’ and ‘networking’. Exemplary items include ‘I scan job advertisements in order to see which type of jobs are available on the market’ and ‘I keep my CV up-to-date’. All responses were given on a 5-point Likert scale ranging from “Completely disagree (1)” to “Completely agree (5)”.

Self-perceived employability (α =.86). Self-perceived employability was measured with the 8-item scale as developed by De Witte (1992). This scale probes into the extent to which employees believe that they can find another job, both inside and outside their current organization. Exemplary items are ‘I am confident that I could quickly get a similar job with another employer’ and ‘I am optimistic that I would find another job if I looked for one’. Respondents could indicate the extent to which they agreed with each of the items on a 5-point Likert scale with anchors ranging from “1 = Completely disagree” to “5 = Completely agree”.

I-deals. In line with Hornung, et al. (2008), development i-deals (α=.84) and flexibility i-deals (α =.74) were measured with four and two items respectively. Employees were asked to what extent they had “asked for and successfully negotiated individual arrangements different from their peers with their current employer”. They could indicate their answer on a 5-point Likert scale (1= Not at all; 5= To a very great extent). Exemplary items for development i-deals include ‘On-the-job activities’ and ‘Career development’, whereas flexibility i-deals were measured with the items ‘Flexibility in starting and ending the workday’ and ‘Individually customized work schedule’.

Control variables. In all our analyses we controlled for respondent’s gender, age, function and educational degree.

Data analysis

The reliability of all scales was determined by calculating Cronbach’s alphas. After the reliability analyses, we performed separate hierarchical regression analyses for each outcome variable (development i-deals and flexibility i-deals). In all analyses, standardized values were used. In the first step, we introduced our control variables (gender, age, function and educational degree).
Consequently, hypotheses 1a and 1b were tested by introducing proactive career behaviours at T1 in the second step of the analyses. In order to test hypotheses 2a and 2b, we added self-perceived employability at T2 in the third step. Finally, to test the moderating effect of self-perceived employability in the relationship between proactive career behaviours and the outcome variables (Hypothesis 3a and 3b), we followed Baron and Kenny’s (1986) procedure. More specifically, we calculated the product term of self-perceived employability and proactive career behaviours and added this interaction term in the fourth step of our regression analyses.

RESULTS

Table 1 presents the descriptive statistics, scale reliabilities and intercorrelations between all variables included in the study. As shown in this table, all scales proved to be reliable, with alpha coefficients ranging from .74 to .86.

Table 2 presents the results from the hierarchical regression analyses. As expected, proactive career behaviours at T1 were positively related to both development i-deals (β = .34, p < .001) and flexibility i-deals (β = .20, p < .05) at T2. Thus, both Hypothesis 1a and 1b were confirmed. For self-perceived employability, the relationship with development i-deals was significant (β = .22, p < .01), confirming Hypothesis 2a. However, Hypothesis 2b was not supported since the impact of self-perceived employability at T2 on flexibility i-deals at T2 was not significant (β = .07, p > .05). Since self-perceived employability was not significantly related to flexibility i-deals, we only tested the moderating effect of self-perceived employability in the relationship between proactive career behaviours and development i-deals. In line with Hypothesis 3b, results showed that self-perceived employability at T2 moderated the relationship between proactive career behaviours at T1 and development i-deals at T2 (β = -.18, p < .01). As depicted in Figure 2, the relationship between proactive career behaviours at T1 and development i-deals at T2 was stronger under the condition of low versus high self-perceived employability T2.
DISCUSSION

This study aimed to unravel the interrelatedness of proactive career behaviours, self-perceived employability and i-deals over time. Our results showed that both proactive career behaviours at T1 and self-perceived employability at T2 were positively related to development i-deals at T2. Moreover, self-perceived employability at T2 moderated the relationship between proactive career behaviours at T1 and development i-deals at T2. The pattern revealed that when self-perceived employability at T2 was low, there was a steeper slope between proactive career behaviours at T1 and development i-deals at T2 than when self-perceived employability at T2 was high. More specifically, those individuals with high levels of proactive career behaviours at T1 reported more development i-deals at T2, regardless of their level of self-perceived employability at T2. For employees with low levels of proactive career behaviours at T1, higher levels of self-perceived employability at T2 were associated with higher levels of development i-deals at T2.

For flexibility i-deals, the results were somewhat different. Proactive career behaviours at T1 were positively related to flexibility i-deals at T2. However, self-perceived employability at T2 was not significantly related to flexibility i-deals at T2. As such, our results show that development i-deals and flexibility i-deals are not necessarily affected by the same antecedents. Previous research had already shown the differential relationship of development and flexibility i-deals with several outcomes (Ng & Feldman, 2012). Our results add to these studies by showing that, in terms of antecedents, differential effects can be found as well.

To our knowledge, this study is the first to empirically assess the relationship between employability and i-deals. In the past, both research streams have developed largely independent from each other. However, our study shows that the employability literature is a relevant framework for studying i-deals and more research on this topic needs to be undertaken to add to our understanding of the interrelatedness of these two concepts. It could be argued that, employees who score higher on self-perceived employability will be more successful in negotiating development i-deals and in turn, these development i-deals provide employees with opportunities to further increase their employability. As such, a reinforcing circle arises in which employability facilitates the successful negotiation of development i-deals that, in turn, have a positive effect on employees’ employability. The downside, however, is that there might be a gap between those employees who score high versus low on self-perceived employability. Consequently, those employees who score low on employability risk falling behind. This is important input for organizations, since we need to
develop a better understanding of the benefits and potential pitfalls of i-deals in order to optimize their implementation on the work floor.

Furthermore, this study investigated the role of individual career management as an antecedent of i-deals. Prior studies have already shown the importance of proactive career behaviors as an antecedent of desired career outcomes and feelings of career success (e.g. Sturges et al., 2002; 2005; De Vos et al., 2009). Our work further supports these results and once again stresses the importance of a proactive career attitude on behalf of the employee.

Finally, a number of limitations need to be considered. First, the present results were based on single-source data and although we opted for a two-wave longitudinal design, self-perceived employability and i-deals were measured at the same moment in time. Consequently, common method bias may have confounded the found relationships and we are unable to infer causality for all the relationships in our research model. Therefore, future research should include longitudinal multiple source data to shed further light on the interrelatedness of development i-deals and employability over time. Second, for the purpose of our research, we only investigated the interrelatedness of proactive career behaviours, self-perceived employability and i-deals over time. Studies in which other career-related variables (e.g. career identity, career commitment) are related to i-deals seem a promising avenue for future research. Moreover, it would be interesting to further shed light on the relationship between i-deals and career outcomes (e.g. career satisfaction, career success) since i-deals can be a means through which individuals actively shape their career. Third, our sample was limited to highly educated employees who were in their early career. Several studies on i-deals have been conducted with managerial samples since it is generally assumed that these employees have more opportunities to negotiate i-deals (e.g. Ng & Feldman, 2010; Ng & Feldman, 2012). Our sample was relatively young (mean age = 25.4 years) and only a minority of the respondents (14.5%) held a managerial role. Nevertheless, in line with Rousseau’s (2005) claim that i-deals are part of everyday organizational reality, our results indicate that i-deals are common in individual’s early career as well. However, future research is needed to examine whether our findings apply to employees in their mid- and late-careers and employees who are not highly educated as well.
Cited references


ACKNOWLEDGEMENTS

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TABLE 1:

Means, standard deviations, scale reliabilities and intercorrelations between variables included in the study

<table>
<thead>
<tr>
<th></th>
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<th>SD</th>
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<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
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<td>Gender (0=female; 1=male)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Age</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Function</td>
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<td>n.a.</td>
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<td>-.06</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Degree</td>
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<td>n.a.</td>
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<td>.07</td>
<td>-.19*</td>
<td>-</td>
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<td></td>
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<td>Proactive career behaviours</td>
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<td>.13</td>
<td>-.30**</td>
<td>.25**</td>
<td>.75</td>
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<td>Self-perceived employability</td>
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<td>.06</td>
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<td>.20**</td>
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<td>Development i-deals</td>
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<td>.94</td>
<td>.11</td>
<td>.11</td>
<td>-.24**</td>
<td>.37**</td>
<td>.29**</td>
<td>.29**</td>
</tr>
<tr>
<td>Flexibility i-deals</td>
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<td>-.08</td>
<td>-.15</td>
<td>.20*</td>
<td>.11</td>
<td>.12</td>
</tr>
</tbody>
</table>

*Note. N=168. Cronbach’s alphas are on the diagonal. * p<.05, **p<.01*
## TABLE 2

**Regression analyses predicting development i-deals and flexibility i-deals at T2**

<table>
<thead>
<tr>
<th>Predictors:</th>
<th>Outcomes:</th>
<th>Development i-deals (N=168)</th>
<th>Flexibility i-deals (N=168)</th>
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<tbody>
<tr>
<td></td>
<td>Step 1</td>
<td>Step 2</td>
<td>Step 3</td>
</tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
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<td>-.11</td>
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<td>Proactive career behaviours</td>
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<td>.29***</td>
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<tr>
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<td>.22**</td>
<td>.22**</td>
</tr>
<tr>
<td>Step 4:</td>
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<td></td>
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<td>Proactive career behaviours x self-perceived employability</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>2.93*</td>
<td>6.28***</td>
<td>6.78***</td>
</tr>
<tr>
<td>Change in F</td>
<td>18.38***</td>
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<td>.18</td>
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<td>$R^2$ Change</td>
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<td>.10</td>
<td>.04</td>
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</table>

*Note.* * p<.05, ** p<.01, *** p<.001
FIGURE 1

Hypothesized model relating proactive career behaviours and self-perceived employability to development and flexibility i-deals

Proactive career behaviours T1 → Self-perceived employability T2

H1a

Self-perceived employability T2 → Development i-deals T2

H2a

Development i-deals T2 → Flexibility i-deals T2

H3b

Proactive career behaviours T1 → Flexibility i-deals T2

H1b

H3a

H2b
FIGURE 2

Interaction of proactive career behaviours T1 and self-perceived employability T2 on development i-deals T2