

How Do I-Deals Benefit to the Organization? The Role of Perceived Organizational Support and Work Engagement

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Abstract. In this paper, we investigate whether and how development I-Deals that the organization provide for the focal employees benefit to the organization in turn. Using a sample of 418, we explore the influence of development I-Deals on focal employees' work engagement. The results show that development I-Deals are positively related to perceived organizational support and work engagement. And perceived organizational support plays a mediating role in the relationship between development I-Deals and work engagement.

Introduction

As the main part of the organization's core competitiveness, core employees are key resources for the organization's survival and development. In order to attract and retain core employees, scholars have explored various channels and management measures, such as improving employees' job satisfaction and strengthening organizational career management. Empirical research has found that organizational career management had a positive impact on employees' career satisfaction and career commitment. However, employees' increasing knowledge and skills has enhance their consciousness and ability to management their own career, forcing the organizations' role shift from controllers to supporters. In addition, the improvement of employees' negotiation ability in employment negotiation also changed their inferior position in employment relationship. All these have brought huge challenges for organizations to retain core employees.

Under this background, idiosyncratic deals (I-Deals) is born and gradually becomes a new topic in organizational behavior research. I-Deals are special employment arrangement negotiated between employees and employers that intend are benefit to both parties [1]. According to the contents, I-Deals can be clarified development I-Deals, flexibility I-Deals and reduced workload I-Deals [2]. In this study, we focus on development I-Deals, because they are more important to employees' career development than other types of I-Deals.

Theory and Hypotheses

Organizational Support Theory

Organizational support theory introduces the development, nature and outcomes of perceived organizational support [3]. Organizational support theory indicates that employees develop their perceptions of organizational support based on their social emotional needs, and prepare to make more effort for the organization in return. Organizational support theory is the application of social exchange theory to the relationship between employer and employee. The theory shows that employees tend to attribute human characteristics to the fact that the organization regards them as a subject who are capable of action. Thus, the organization is responsible for the way in which the agents of the organization treat employees. According to the reciprocity principle, the more employees feel the support of the organization, the more they develop a sense of responsibility to the organization. Therefore, employees feel obliged to reciprocate the organization by helping the organization achieve its goals.

Hypotheses

Development I-Deals and Work Engagement.

Development I-Deals refer to individualized opportunities to develop personal skills and meet personal needs for professional advancement, including challenging work assignments, recognition of performance, special training opportunities, and career development opportunities [4]. Comparing with traditional standard human resources management practices, I-Deals have certain heterogeneity. I-Deals are special work treatment that not available for all employees, but for specific employees, such as who possess key technology or who are professional. Although this differential treatment may make some employees (who did not obtain I-Deals) dissatisfied, in some extent, they may cause focal employees' (who did obtain I-Deals) positive attitudes and behaviors. According to social exchange theory, when the organization provide some preferential treatment for the employees, the employees may feel that they are valued and are recognized. And they would redouble their efforts to give back to the organization and have higher job satisfaction, because they perceive concerns from the organization. Moreover, research has found that the preferential treatment of the organization is positively related to employees' satisfaction, organizational commitment. Based on the reciprocity principle, when the organization provide development opportunities and life concerns, employees will increase their organizational recognition, consider the organization's benefit, and make efforts to contribute to organizational performance.

Hypothesis 1: Development I-Deals are positively related to work engagement.

The Mediating Role of Perceived Organizational Support.

According to organizational support theory, once employees make sure that the organization is willing to reward their increased workload and meet their emotional needs, they would have an integral consciousness and believe that the organization values their contributions or concerns their well-being. Perceived organizational support has two important factors. First, employees should feel the support from their organization. Second, the organization or management system should provide a supportive work environment.

In nature, the successful negotiation of development I-Deals reflects that the organization's recognition for the focal employees' ability and the organization's high evaluation for the focal employees' contribution. Development I-Deals are special and non-standard work arrangements, aiming at satisfying focal employees' personal needs. Development I-Deals not only represent that the organization are concerned about employees' work-related needs, but also represent that the organization is willing to exchange valuable resources with focal employees, which are important for the focal employees' career development. Development I-Deals have an signaling function. According to signaling theory, signals focus on the intentional transmission of positive information to convey positive organizational attributes. Therefore, Development I-Deals serve as powerful clues to convey positive signals in the employment relationship. Based on signaling theory, researcher suggested that I-Deals can trigger focal employees' positive reactions and behaviors. As a signal that the employer (signalman) convey the positive evaluation and attention to the focal employee (receiver), I-Deals can stimulate the employees' behaviors that are satisfactory to the employer. As I-Deals are made to satisfy focal employees' personal interests and needs, therefore, I-Deals may cause focal employees' positive attitudes and behaviors, which are benefit to the organization. Furthermore, according to social cognitive theory, in the context of I-Deals, focal employees can perceive their own rights, and this perception is known as the "better than average" effect. In this case, focal employees would consider that they own more organization's attention than others, thus, perceive more organizational support.

According to organizational support theory, once employees perceive they are supported by the organization, they would like to show some behaviors that are benefit to the organization as exchange. This kind of return psychology or exchange consciousness will affect the employees' attitudes toward the organization, and eventually, reflect on their work-related attitudes and behaviors. Based on the principle of reciprocity, organizational support causes employees' attentions on organizational

interests and their sense of obligation to help the organization to achieve its goals. The more employees feel the importance that the organization attach to, the more the more energy they will put into their work and show more organizational commitment in return for the organization’s support.

From what has been discussed above, we speculate that perceived organizational supported may play a mediating role in the relationship between development I-Deals and work engagement. Thus, we propose:

Hypothesis 2: Perceived organizational support mediates the relationship between development I-Deals and work engagement.

Method

Sample

We collected the data from a multi-source in Shandong province. The participants are core employees in the position of key technology, management, sales, and marketing. We adopted software to distribute and collect the questionnaires. A total of 610 questionnaires were distributed and 572 were returned, with a recovery rate of 93.8%. Finally, the valid questionnaires were 418, with a valid rate of 68.5%.

Measures

All variables are measure on 7-level Likert scale ranging from 1 to 7. Development I-Deals were measured by using a four-item scale from Rousseau and Kim (2006) [2]. Perceived organizational support was assessed by using an eight-item scale from Eisenberger (1986) [5]. Work engagement was measured by using a scale from Schaufeli, Salanova and Bakker (2002) [6]. We controlled demographic variable, such as gender, age, education, and job position.

Results

In order to verify the discriminating validity of variables, this paper conducts confirmatory factor analysis on three variables in the model, including development I-Deals, perceived organizational support, and work engagement. The results in table 1 showed that the fitting degree of the four-factor model was significantly better than that of other models (CFI = 0.94, RFI = 0.91, IFI = 0.94, RMSEA = 0.091, SRMR = 0.06, $\chi^2/df = 3.05$). That is, the four constructs had good discriminating validity.

Table 1. Confirmatory factor analysis

Model		df	df	NNFI	CFI	RMSEA	RFI	IFI	SRMR
3F model	684.03	224	3.05	0.94	0.94	0.091	0.91	0.94	0.060
2F model	1078.38	227	4.75	0.87	0.88	0.13	0.84	0.88	0.076
1F model	2126.58	229	9.29	0.67	0.70	0.21	0.66	0.70	0.16

Table 2 reports the mean, standard deviation and correlation coefficients between the main variables. It shows that there exists significant positive correlation in the relationships between development I-Deals and perceived organizational support ($r = 0.21, p < 0.01$), between development I-Deals and work engagement ($r = 0.30, p < 0.01$), and between perceived organizational support and work engagement ($r = 0.41, p < 0.01$). The research hypotheses were preliminarily supported.

Table 2. Means, standard deviations, correlations

		Mean	SD	1	2	3	4	5	6	7
1	Gender	1.05	0.22							
2	Age	2.42	0.80	0.15**						
3	Education	1.33	0.61	0.26**	0.10					
4	Position	3.12	0.99	0.08	0.45**	0.24*				
5	Development I-Deals	2.81	0.79	-0.10	-0.04	-0.01	-0.07	(0.91)		
6	Perceived organizational support	3.50	0.72	0.03	0.04	-0.06	-0.07	0.21**	(0.89)	
7	Work engagement	4.20	0.58	-0.11	-0.02	0.06	0.03	0.30**	0.41**	(0.92)

Notes: ** p < 0.01, * p < 0.05

The hypotheses were tested by SPSS. As shown in table 3, in the first step, the control variables were put into the model, and the outcomes of work engagement was regressed to exclude the influence of the control variables. In the second step, after controlling for gender, age, education, and position, development I-Deals were added to test the main effect relationship between I-Deals and work engagement. The results showed that development I-Deals positively affects work engagement (b = 0.21, t = 5.26, p < 0.001), and have extra explanatory power for work engagement ($\Delta R^2 = 0.08$, p < 0.001). thus, H1 was supported. Third, development I-Deals and perceived organizational support were put into the model together. Regression analysis results showed that after adding perceived organizational support, there still exist a significant positive relationship between I-Deals and work engagement, and the absolute value of the coefficient decreases (b = 0.16, t = 4.01, p < 0.001). Perceived organizational support has a significant positive relationship with work engagement (b = 0.31, t = 7.32, p < 0.001). In order to verify the mediating effect of perceived organizational support, we used PROCESS developed by Hayes (2013). We set the random sample as 5000, and the confidence interval as 95%. As shown in table 4, the indirect effects of perceived organizational support reached significant levels within a 95% confidence interval (b = 0.06, CI = [0.02, 0.11]), and not include 0. Thus, H2 was supported.

Table 3. Mediation analysis of relationship among development I-Deals and work engagement

	Perceived organizational support	Work engagement		
		Model 1	Model 2	Model 3
Constant	2.67***	3.22***	2.54***	1.72***
Control variables				
Gender	0.17	-0.37	-0.29	-0.35
Age	0.05	-0.04	-0.04	-0.06
Education	-0.07	0.09	0.08	0.10
Position	-0.06	0.02	0.15	0.05
Independent variable				
Development I-Deals	0.19***		0.21***	0.16***
Mediator				
Perceived organizational support				0.31***
R2	0.07	0.04	0.12	0.25
ΔR^2	-	-	0.08	0.13

Notes: *** p < 0.001

Table 4. Bootstrap test of mediating effect

Development i-deas	b	SE	95% CI	
			Low limit	Upper limit
Direct effect	0.16	0.04	0.08	0.23
Indirect effect	0.06	0.02	0.02	0.11

Discussion

In this study, we investigate whether and how development I-Deals do benefit the organizations. The results show that focal employees' development I-Deals has a significant positive effect on their perceived organizational support, which can improve their work engagement. Perceived organizational support mediates the positive relationship between development I-Deals and work engagement. Empirical results suggest that when the organization provide special work arrangement for the focal employees, these employees would reciprocate for the organizations' individualized treatment. Thus, I-Deals do benefit to the organization by improving focal employees' work engagement.

In the workplace, the organizations should pay more attention to core employees' work-related needs, and provide a supportive working atmosphere. Through proving some customized employment arrangements, employers can increase employees' perception of organizational support and work engagement. In turn, increasing work engagement can also retain the talent employees, and fully demonstrate their personality, skills and abilities that are beneficial to achieve win-win.

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