Idiosyncratic Deals: Coworkers as Interested Third Parties

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Idiosyncratic deals (i-deals for short) are personalized employment arrangements negotiated between individual workers and employers and intended to benefit them both (D. M. Rousseau, 2005). Coworkers' acceptance of another's i-deal can ultimately impact its overall effectiveness for the organization. By using a network approach to the study of work group dynamics, this research addresses the contributions coworker relationships with both the i-dealer and their employer make to coworker's willingness to accept a peer's i-deal. In a study of 65 employees in 20 research and development groups, coworker acceptance of i-deals is greater for group members who are their close personal friends than for members who are not. The coworkers' social exchange relationship with their employers is positively related to acceptance, while economic exchange is negatively related. Coworkers' belief in the likelihood of obtaining comparable future opportunity is positively related to their acceptance of another's i-deal. Results suggest that the relationship of both economic and social exchange with acceptance is likely to be mediated by beliefs regarding comparable future opportunity. Implications for both research and practice are discussed.

Keywords: idiosyncratic deals, negotiation, coworker, employment arrangements, organizational justice

Employees increasingly seek to fulfill their personal needs through customized or nonstandard conditions of employment (Lawler & Finegold, 2000). Granting these demands for flexibility provides employers effective ways to motivate individual workers (Rousseau, 2005) while running the risk their coworkers might feel unfairly treated (Greenberg, Roberge, Ho, & Rousseau, 2005). This study is the first to investigate the dynamics underlying coworker reactions to nonstandard arrangements individual workers negotiate. Using a network approach, it examines how relational ties, both between individual workgroup members and between each member and the employer, shape coworker reactions to another's idiosyncratic deal. This study also investigates the role of justice in shaping coworker acceptance. It examines how beliefs in one's own future opportunities for an idiosyncratic deal influence acceptance of another's. Last, it examines ways anticipated future opportunities relate to the employment relationship itself.

Idiosyncratic Deals and Coworkers' Acceptance

Idiosyncratic deals (i-deals for short) are personalized employment arrangements negotiated between individual workers and employers and intended to benefit them both (Rousseau, 2001). The benefits of i-deals are exemplified by a flexible work arrangement permitting a worker to balance work and family while helping the employer retain a valued contributor. Individually negotiated, an i-deal grants a worker employment conditions that differ from his or her coworkers. In contrast to other person-specific arrangements made via favoritism or cronyism, i-deals are more likely to be accepted by coworkers if implemented in ways that reinforce rather than undermine workplace justice and fair dealing (Rousseau, 2005).

I-deals are forms of exchange between worker and employer. An i-deal's ultimate effectiveness is influenced by a triangle of relationships involving the i-dealer, the employer, and those coworkers whose own employment conditions are now differentiated from the i-dealer by virtue of that person's individualized arrangements (Rousseau, 2005). Studies have investigated the i-dealer–employer relationship (e.g., Hornung, Rousseau, & Glaser, 2008; Rousseau & Kim, 2004), but none has yet examined the contributions coworker relationships make to the dynamics surrounding idiosyncratic arrangements. An i-deal might be "win–win" to the focal worker and the employer, but its ultimate effectiveness can depend on coworkers' acceptance of it. Responses of these critical third parties are indicative of how effective an i-deal is in terms of benefiting worker and employer without jeopardizing the broader climate of workplace justice. I-deal theory postulates that third parties find i-deals acceptable where workplace relationships support their implementation. This field study provides first evidence of how relationships, in particular, workgroup friendships and the nature of the employment relationship, affect coworker responses to i-deals. It demonstrates how i-deal implementation can promote acceptance by working within the workplace's relational fabric.

Acceptance refers to giving one's assent or approval to another person's i-deal. Lack of acceptance can reduce respect and esteem for the i-deal's principals. Since the employer is likely to be viewed as particularly culpable in agreeing to an unacceptable i-deal, doing so risks eroding some of the workforce cooperation the employer requires to be effective (cf. Simon, 1997).

Coworker acceptance of an i-deal is a function of several factors. It is influenced by the degree to which coworkers endorse the basis on which an i-deal is created. I-deals can be based on merit, where they are understood to reward high performance; on turn-taking where resources, such as training opportunities, are scarce or limited; or on need, as an accommodation for personal or family difficulties. The legitimacy of these conditions is influenced by the manner of resource allocation deemed appropriate to the specific relationships involved; for example, sharing or turn-taking in a communal relationship or economic value in a market-based exchange (Fiske, 1991). The relational models coworkers use to interpret their ties to both an i-dealing peer (i.e., close personal friend or not) and their employer (e.g., relational tie or economic transaction) influence their willingness to endorse an i-deal (Rousseau, 2005).

Acceptance is also influenced by the authority coworkers attribute to the employer granting the i-deal. Authority refers to the right to make or influence a decision (Simon, 1997). It has both a formal basis (in terms of legal or official roles) as well as an informal basis (in terms of trust and respect for the decision maker). Simon (1997) characterized authority in terms of a zone of acceptance, the extent persons are indifferent to the decisions made by another that affect their interests. The scope of the zone of acceptance depends on the trust between the parties, the decision maker's perceived competencies, and the perceived legitimacy of his or her formal role in the organization (Simon, 1997). Third parties tend to view an i-deal that falls outside their zone of acceptance as favoritism or cronyism (Rousseau, 2005). *Ceteris paribus*, coworker acceptance is promoted by favorable beliefs regarding the employer that could be manifested by social exchange relationships with the employer.

An i-deal's instrumentality for coworkers also influences acceptance (Vroom, 1964). For example, a colleague's desire for flexible work hours can burden coworkers; another's developmental assignment might signal that his or her peers are less likely to be promoted. Those disadvantaged are less likely to support such arrangements compared with those for whom the deal is cost-neutral or potentially beneficial. When a peer's i-deal or the circumstances surrounding it signal the possibility of negotiating one's own preferred arrangements in the future, that i-deal has a positive instrumentality for coworkers (Rousseau, Ho, & Greenberg, 2006). Such might be the case where an i-deal is implemented as an experiment that if successful will be available to coworkers, or where the employer is seen as likely to treat coworkers with comparable generosity. Implementing i-deals in ways leading all three parties, i-dealer, employer, and coworkers, to view them as "win–win–win" (or at least "win–win–no lose") is key to resolving a long-standing managerial dilemma—how to treat workers fairly, equally, and yet, at the same time, differently (Rousseau, 2005).

Interpersonal Relationships

The personal relationship between coworker and i-dealer, one side of the employment relationship triangle, shapes coworker reactions (Rousseau, 2005). Coworkers are more willing to accept an i-deal of a colleague with whom they enjoy a caring relationship than that of another with whom they have a limited relationship or none at all (Clark & Reis, 1988). Such might be the case where a close friend and coworker negotiates special duties with less travel to care for an aging parent. Friendship tends to be based on personal affinity, care, and liking. Its relational nature evokes a sense of the expanded self where the benefits one's friends enjoy can be personally satisfying (Rousseau, 2005). I-deals made by nonfriends lack this mitigating factor and are more likely to prompt a sense of inequity (Frank, 1985) that undermines acceptance.

Hypothesis 1: The extent to which a coworker considers an i-dealer a personal friend is positively related to his or her willingness to accept that worker's i-deals.

Nature of Employment Relationships

Coworkers' acceptance of others' i-deals is likely to be shaped by another side of the employment relationship triangle, the relationship between coworker and employer. Two types of exchange relationships are typically conceptualized in employment: economic and social (Macneil, 1985). Economic exchange emphasizes financial, monetizable resources (e.g., wage, bonus) obtained via discrete tit-for-tat transactions not expected to be long-term (Shore, Tetrick, Lynch, & Barksdale, 2006). It is characterized by little personal involvement between worker and employer. In contrast, social exchange goes beyond monetary concerns, vesting in mutual obligation/support, interpersonal attachment, trust, and loyalty (i.e., the employer's support of an employee's career mobility; the employee's willingness to work overtime to aid the employer), typically via repeated cycles of reciprocal exchange over time with anticipation of long-term employment (Tetrick, Shore, Bommer, & Wayne, 2001).

Experiencing one's employment as a social exchange is expected to increase coworker acceptance of i-deals for several reasons. First, given the mutual loyalty and concern on which it is based, social exchange tends to downplay negative reactions to differential treatment. Instead, it shifts attention to common interests and the broader welfare of those involved (Clark & Reis, 1988). Second, given its ongoing supportive nature, social exchange-based employment is characterized by high perceived organizational support (Settoon, Bennett, & Liden, 1996), increasing the likelihood coworkers will anticipate comparable i-deals (Rousseau, 2005). In contrast, those who experience their employment as an economic exchange will be less accepting of others' i-deals because this exchange is characterized by a limited time horizon and absence of interpersonal concern (Macneil, 1985). Given economic exchange's shorter-term nature, workers are less likely to anticipate better future opportunities from the firm. Moreover, its lack of interpersonal concern increases the likelihood that i-deals will evoke negative social comparisons. This sensitivity to differential treatment compounds economic exchange's focus on immediate returns, culminating in less willingness to accept coworkers' i-deals.

Hypothesis 2: The extent an individual experiences the employment relationship as a social exchange is positively related to acceptance of coworkers' i-deals.

Hypothesis 3: The extent an individual experiences the employment relationship as an economic exchange is negatively related to acceptance of coworkers' i-deals.

Organizational Justice

Coworkers' reactions to another's i-deal are shaped by their experience of organizational justice (Greenberg et al., 2005). Greenberg (1993) identified four types of justice: distributive, procedural, interpersonal, and informational justice. In this discussion, the latter two are combined into interactional justice because they both deal with how the employer treats employees in interpersonal processes such as resource allocations. Distributive justice refers to beliefs about the fairness of outcome allocations (Greenberg, 1987). Procedural justice refers to the perceived fairness of procedures governing outcome allocations, including workers' opportunities to voice their concerns (Thibaut & Walker, 1975). Interactional justice is the perceived quality of interpersonal treatment during outcome allocations; it includes treating employees respectfully (Bies & Moag, 1986).

If coworkers believe themselves to have opportunities for comparable arrangements in the future, they are likely to be supportive of others' i-deals. In such a case, i-deals might be seen as distributively fair (i.e., opportunities for coworkers to obtain comparable benefits), procedurally fair (i.e., coworkers have their own turn for future i-deals), and interactionally fair (i.e., coworkers receive the same respect as the i-dealer). As such, the i-deals coworkers enjoy can be instrumental for peers in pursuit of their own idiosyncratic arrangements.

Hypothesis 4: Coworkers' beliefs regarding their own likelihood of comparable future opportunity is positively related to their acceptance of others' i-deals.

Additionally, the nature of the employment relationship intertwines with conditions promoting organizational justice. Employment based on a social exchange, characterized by long-term well-being and mutual concern/support between employees and employer, increases the likelihood that an employee will anticipate a comparable personal i-deal in the future.

Hypothesis 5: Social exchange is positively related to beliefs in one's likelihood of receiving comparable future opportunity.

With its shorter duration and limited focus on monetary conditions, economic exchange is expected to be negatively related to anticipating comparable future opportunity for one's self.

Hypothesis 6: Economic exchange is negatively related to beliefs in one's likelihood of receiving comparable future opportunity.

We have theorized that the employment relationship influences beliefs employees have regarding their future treatment, and these anticipations in turn are expected to influence their responses to the i-deals of others. Thus, coworker beliefs regarding comparable future deals are expected to underlie the hypothesized positive relationship between social exchange and coworker's acceptance of another's i-deal as well as the hypothesized negative relationship between economic exchange and coworker's acceptance.

Hypothesis 7: Social exchange's positive relationship with acceptance of coworkers' i-deals is mediated by the likelihood of receiving comparable future opportunity.

Hypothesis 8: Economic exchange's negative relationship with acceptance of coworkers' i-deals is mediated by the likelihood of receiving comparable future opportunity.

Method

Sample

We studied a high-technology research and development firm in the eastern United States (154 employees total: 43% research scientists, 9% research managers, 19% technicians, and 29% administrators and support staff). Our focus was its most critical employees, research scientists and research managers, given the greater expected incidence of i-deals among core workers (Lawler & Finegold, 2000). Participants were in 20 formal groups headed by a research manager or director. Groups ranged from 2 to 9 members (response rates from 25% to 100%, mean 87%, median 100%). The average group size was 3.95, and the median was 4.

Procedure

The field study conducted in 2006 had two stages. First, individual semi-structured interviews were held with 13 research managers and 7 directors (one level up). As work group heads, each made decisions regarding i-deals within their own group. The purpose of these interviews was twofold. One was to understand how flexible group heads could be in granting i-deals, what types of i-deals existed, how these affected coworkers (from the heads' perspectives), and the willingness of the heads to grant similar deals in the future. Interview data were used to generate survey questions suited to the setting. The interviews' other purpose was to obtain an up-to-date list of potential participants for the study's second stage, resulting in a complete list of 79 people across twenty groups. An online survey was then administered to the 79 group members (including the research managers interviewed above but not their directors). A total of 65 participants completed useable surveys (82% response rate). Participants were research scientists (83%) and managers (17%), with 3–4 years of service on average, ranging from less than 1 year to 7–8 years. Average age was 36–40, with age groups ranging from 21–25 to over 65. Male participants were 89% and female participants 11% of our sample, consistent with the firm's gender distribution. Both interview and survey were approved by an Institutional Review Board. Participation was voluntary. Participants signed consent forms assuring confidentiality.

Measures

The survey provided two kinds of data: individual and network-level. Unless otherwise specified, 4-point Likert scales were used ranging from 1 (*not at all*) to 4 (*to a great extent*). Individual-level data included self-reported participant demographics and perceptions. Network-level data represented coworker responses regarding each and every member of their group on friendship and their own willingness to accept a member's i-deal. By assessing each group member, participants made person-specific judgments rather

than summary assessments, allowing us to test hypotheses on within-group dynamics (cf. Hinds, Carley, Krackhardt, & Wholey, 2000).

Network-level measures. Our network data are dyadic. Each member was presented with a list of all ($n - 1$) other group members and was asked to evaluate his or her friendship ties with each. An $n \times n$ matrix was then generated for each group to represent its friendship network. The cell entry X_{ij} in the matrix was an integer from 1 to 4, indicating the strength of member i's perceived friendship tie between members i (self) and j (other), ranging from 1 (*not a friend at all*) to 4 (*a close personal friend*). The cell entry X_{ij} was left missing if i did not evaluate the friendship tie with j. The network measure of acceptance of others' i-deals is this study's dependent variable. We defined *i-deals* in the survey as "the kinds of requests that individual workers make to their employer to obtain atypical or nonstandard employment arrangements. These requests cover a host of issues from working conditions (e.g., schedule, working at home), development opportunities (e.g., special training, assignments) as well as other benefits." We then asked "If your coworkers ask for special individual arrangements in the near future, to what extent would you be willing to accept them having arrangements different from your own?"

Individual-level measures. The employment relationship was assessed in terms of social and economic exchange, adopting scales from Tetrick et al. (2001). The Social Exchange scale has 7 items (Cronbach's $\alpha = .85$): "My company has made a significant investment in me"; "My relationship with my company is based on mutual trust"; "There is a lot of give and take in my relationship with my company"; "I know the company will reward my efforts in the future"; "I try to look out for the best interests of my company because I can rely on my company to take care of me"; "The things I do on the job today will benefit my standing at the company in the long run"; and "I do not mind working hard today – I know I will be eventually rewarded by the company." Six items assessed Economic Exchange (Cronbach's $\alpha = .74$): "My relationship with my company is strictly an economic one – I work and they pay me"; "I do what my company requires, simply because they pay me"; "My relationship with my company is impersonal – I have little emotional involvement at work"; "I watch very carefully what I get from my company, relative to what I contribute"; "I do not care what the company does for me in the long run, only what is done right now"; and "All I really expect from my company is that I be paid for my work efforts." Comparable Future Opportunity was measured with two items (Cronbach's $\alpha = .76$): "I can have the same special individual arrangements as my coworkers have if I ask"; and "I can get comparable special individual arrangements if I am in need of them." Demographics included participant length of employment (9 categories from *less than a year* to *over 20 years*), age (11 categories from *below 21* to *over 65*) and gender (1 = male, 2 = female).

Data Analysis

Measurement model. Confirmatory factor analyses assessed our individual variable measurement model (Anderson & Gerbing, 1988), for the two employment relationship measures and the Comparable Future Opportunity scale. We employed the comparative fit index (CFI) and standardized root mean-square residual (SRMR), which are appropriate fit indicators for smaller samples

Table 1
Summary of Variables

Variable	Definition
	Network-level variable
Acceptance matrix	Respondent i's acceptance of j's i-deal
Friendship matrix	Respondent i's perception of friendship tie between i and j
	Individual-level variable
Acceptance	Respondent's average acceptance of other group members' i-deals
Social Exchange	Respondent's beliefs about the quality of the employment relationship on the dimension of social exchange
Economic Exchange	Respondent's beliefs about the quality of the employment relationship on the dimension of economic exchange
Comparable Future Opportunity	Respondent's beliefs on the likelihood of getting similar treatment
Length of Employment	Respondent's length of employment at the firm (categorical variable)
Age	Respondent's age (categorical variable)
Gender	Respondent's gender (categorical variable where 1 = male and 2 = female)

Note. The definition for the network-level variables is the definition of each cell in the matrix.

(Hoyle, 1995; Hu & Bentler, 1998). The three-factor solution fit considerably better (CFI = .79, SRMR = .09) than did one factor (CFI = .60, SRMR = .13) or two factors (i.e., employment relationship scales combined, CFI = .62, SRMR = .13), also supported by principal factor analyses.

Hypothesis testing. To test the network-level hypothesis (H1), ordinary least square (OLS) regression could not be used because network data have autocorrelated error terms (Krackhardt, 1987). Instead, quadratic assignment procedure (QAP), a nonparametric, permutation-based regression, serves the purpose of OLS regression while taking care of the autocorrelation problem (Krackhardt, 1988, see Appendix A for details). QAP regression was performed for each group. The overall effect size and significance level were then computed via meta-analysis (Hedges & Olkin, 1985). Our network analyses excluded eight groups with sample sizes less than or equal to 2 and 2 groups with no variation in the dependent variable matrices (QAP requires this variation for permutation). H1 is tested on the remaining 10 groups ($N = 44$; 68% of respondents; 164 dyadic observations). We followed Krackhardt and Kilduff's (1999) meta-analysis procedure. A Q statistic tests whether the 10 groups differ significantly on friendship predicting acceptance. If Q is not significant, we can conclude that the samples represent the same population and that meta-analysis is appropriate. A Stouffer's Z test, a p-pooler meta-analytic method (Hedges & Olkin, 1985), then combines each group's p value. The pooled p indicates if the combined effect size is significant (see Appendix B for details).

Individual-level hypotheses were tested by using regression analysis with controls (H2–H3), structural equation modeling (SEM) and Sobel mediation analysis (H4–H8). SEM could not be used by itself because in comparing full and partial mediation models the latter is just-identified.

Table 2
Descriptive Statistics of Network-Level Variables Across 10 Groups

| | Group | | | | | | | | | |
| | Group 1 (n = 5) | Group 2 (n = 3) | Group 3 (n = 3) | Group 4 (n = 4) | Group 5 (n = 3) | Group 6 (n = 7) | Group 7 (n = 4) | Group 8 (n = 5) | Group 9 (n = 5) | Group 10 (n = 5) |
Variable										
Dyadic observations	20	6	6	12	6	42	12	20	20	20
Acceptance of another's i-deal										
M	3.17	3.33	2.83	3.75	3.33	3.19	2.33	3.65	3.00	3.20
SD	0.69	0.47	0.90	0.43	0.47	0.93	1.49	0.66	0.89	1.17
Friendship										
M	1.30	1.83	2.17	2.92	2.17	1.79	2.33	3.20	2.53	3.50
SD	0.56	1.07	0.69	0.86	0.69	0.99	1.37	0.68	0.99	1.17

Note. The total number of dyadic observations across the 10 groups is 164.

Results

Network-Level Hypothesis Testing (H1)

Table 1's top panel summarizes the network-level variables used in the analysis. Table 2 reports descriptive statistics for these variables across the 10 groups. In general, workers were supportive of i-deals for their group members (with mean Acceptance ranging from 2.33 in Group 7 to 3.75 in Group 4 on a 1–4 scale). Considerable within-group variation existed in friendship ties. Mean Friendship varied from 1.30 in Group 1 to 3.50 in Group 10. To test H1, that Friendship has a positive effect on Acceptance, QAP regressions were conducted for each of the 10 groups and their results combined via meta-analysis. Table 3 displays each group's observed beta (β_i), the weighted estimate of the population beta (β_+), the Q statistic, and the Stouffer's Z test. β_+ reveals the overall effect size of Friendship on Acceptance across the 10 groups, and the Q statistic tests if the group beta coefficients were significantly different. The Q statistic was not significant ($Q = 6.11$, $p = .73$, $df = 9$), indicating that meta-analysis is appropriate. Meta-analysis revealed Friendship's positive effect on Acceptance (Stouffer's $Z = 2.12$, $p = .02$, $\beta_+ = .25$), supporting H1. An effect of .25 is considered moderate (Cohen, 1988).

Individual-Level Hypothesis Testing (H2–H8)

The second panel of Table 1 summarizes our individual-level variables. The individual-level dependent variable, Acceptance

(of others' i-deals), is derived from network-level data. Person i's individual-level acceptance score is the average of person i's acceptance across all of his or her group members. For instance, if person i reported acceptance scores of 2 and 3 for two other group members, person i's individual-level acceptance score would be 2.5.

A series of one-sample t tests (two-tailed) examined whether participants' responses differed from the scale midpoint (2.5). Participants tended to report themselves high on Acceptance, $t(55) = 11.22$, $p < .001$. They tended to view the employment relationship more as a Social Exchange, $t(64) = 5.93$, $p < .001$; and less as an Economic one, $t(64) = -8.00$, $p < .001$; and believed themselves to have Comparable Future Opportunity, $t(61) = 7.15$, $p < .001$.

Correlations (Table 4) indicated that Gender was the only demographic with a meaningful correlation (to Economic Exchange, $r = -.21$, $p < .10$) with any variable under study. It is controlled for in our regressions (Table 5). Social Exchange had a positive effect on Acceptance ($\beta = .36$, $p < .01$), while Economic Exchange had a negative effect ($\beta = -.41$, $p = .001$), supporting H2 and H3. As expected, Social and Economic Exchange were negatively correlated ($r = -.23$, $p < .05$).

Hypotheses 4–8 were modeled by using Comparable Future Opportunity as the intervening variable between both Social and Economic Exchange and Acceptance (Figure 1). The model resulted in a good fit (CFI = .92; SRMR = .08). Comparable Future Opportunities predicted Acceptance ($\beta = .38$, $p < .01$),

Table 3
Regression Coefficients, Q Tests, and Meta-Analysis Results Across 10 Groups by Friendship Predicting Acceptance

Variable	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10	Meta-analysis statistics (10 groups combined)
β_i	.140	−.221	.585	−.279	−.171	.380	.475	.158	−.148	.471	
Variance of β_i	.130	.316	.083	.284	.415	.040	.116	.042	.125	.221	
Weighted p	.672	.454	.981	.338	.552	.984	.968	.768	.391	.556	
Z	0.445	−0.115	2.073	−0.418	0.132	2.136	1.846	0.733	−0.277	0.140	
β_+											.25
Q											6.11
p for Q											.73
Stouffer's Z											2.12
Pooled p											.02

Note. Beta coefficients are standardized. Both weighted p and pooled p are one-tailed. The degree of freedom for the Q statistic is 9.

Table 4
Means, Standard Deviations, and Correlations Among Individual-Level Variables (N = 65)

Variable	M	SD	1	2	3	4	5	6	7
1. Age	5.00	1.76	—						
2. Gender	1.12	0.32	−.15	—					
3. Length of Employment	2.98	1.32	.42†††	−.04	—				
4. Acceptance	3.48	0.65	−.08	.01	−.14	—			
5. Social Exchange	2.87	0.51	.01	.11	−.19	.35††	—		
6. Economic Exchange	2.05	0.46	.01	−.21	−.08	−.41†††	−.23†	—	
7. Comp. Future Opportunity	3.00	0.55	.02	−.12	−.08	.38††	.62†††	−.31††	—

Note. Age, gender (1 = male and 2 = female), and length of employment are categorical variables. All other variables were measured on a scale of 1–4.
† $p < .05$, one-tailed. †† $p < .01$, one-tailed. ††† $p < .001$, one-tailed.

Table 5
Summary of Regression Results of Independent Variables on Acceptance of I-Deals Controlling for Gender (N = 65)

			Independent variables						
	Gender (control)		Social exchange		Economic exchange		Comparable future opportunity		
Model	β	SE	β	SE	β	SE	β	SE	R^2
1	−.06	.28	.36††	.17					.12†
2	−.04	.27			−.41†††	.19			.17†
3	−.09	.26	.27†	.16	−.34††	.19			.23††
4	.01	.27					.38††	.17	.14†

Note. Beta coefficients are standardized. DV = coworkers' future acceptance of others' i-deals.
† $p < .05$, one-tailed. †† $p < .01$, one-tailed. ††† $p = .001$, one-tailed.

supporting H4. Social Exchange affected Comparable Future Opportunity (β = .50, $p < .001$), supporting H5. Economic Exchange also affected Comparable Future Opportunity (β = −.32, $p < .01$), supporting H6. For purposes of comparison, we modeled Comparable Future Opportunity and the two employment relationship measures as three correlated independent variables (Table 6). Modeling three direct effects of these variables on Acceptance fits far worse than does the hypothesized mediated model (see Figure 1), supporting H7 and H8. However, Sobel tests (Sobel, 1982) failed to achieve conventional significance levels for Comparable Future Opportunity's mediating role in accounting for Social Exchange's positive relationship with Acceptance (Sobel $z = 1.56$, $p = .06$, one-tailed), or Economic Exchange's negative relationship with Acceptance (Sobel $z = −1.48$, $p = .07$, one-tailed). Although the Sobel tests were not significant at $p < .05$, our overall findings suggest that economic and social exchange are likely to impact acceptance at least in part through their effects on anticipating comparable future treatment. Larger sample replication is needed to affirm Comparable Future Opportunity's potential mediator role and to investigate whether mediation is full or partial.
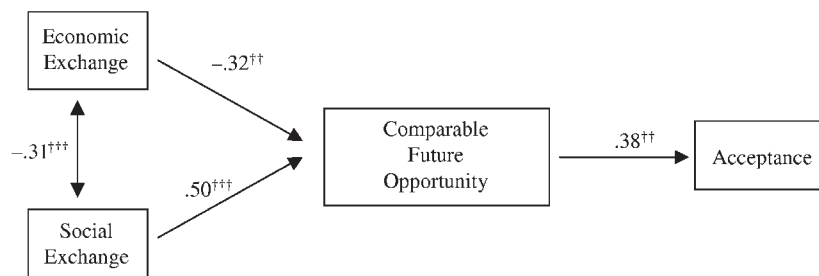

Figure 1. Structural equation model on the effect of exchange variables (social exchange and economic exchange) on comparable future opportunity and acceptance ($N = 65$). Coefficients are standardized. $^{††}p < .01$, one-tailed; $^{†††}p < .001$, one-tailed.

Table 6
Alternative Model Comparison (N = 65)

	Fit indicator		Direct paths coefficient			Covariance		
Model	CFI	SRMR	EX	SX	CFO	EX/SX	SX/CFO	EX/CFO
Alternative model I	.72	.19	−.29††	.20	.13	−.03	.60†††	
Alternative model II	.50	.22	−.29†	.20	.13	−.03		.46††
Alternative model III	.34	.26	−.29†	.20	.13	−.31†		

Note. EX = Economic Exchange; SX = Social Exchange; CFO = Comparable Future Opportunity. Alternative model I: EX, SX, and CFO each having indirect path to Acceptance with covariance between SX and EX, and SX and CFO. Alternative model II: EX, SX, and CFO each having indirect path to Acceptance with covariance between SX and EX, and EX and CFO. Alternative model III: EX, SX, and CFO each having indirect path to Acceptance with covariance between SX and EX. Coefficients are standardized.
† $p < .05$, one-tailed. †† $p < .01$, one-tailed. ††† $p < .001$, one-tailed.

Discussion

This study is the first to investigate the relational dynamics associated with coworker reactions to i-deals. It does so with an unusual combination of network analysis, meta-analysis, SEM, and related analyses using individual and network variables. As predicted, coworker acceptance of others' i-deals was related to both their friendships and their relationship with the employer. Individuals were more likely to accept i-deals on the part of close personal friends than they were for those with whom they had no close relationship. Similarly, coworkers who viewed their employment as a social exchange were accepting of another's i-deals. In contrast, not experiencing one's employment as an economic exchange also contributed to accepting another's i-deal. Economic exchange is likely to create vigilance among workers regarding their relative treatment, promoting intolerance of arrangements favoring coworkers. Social exchange, on the other hand, can predispose a positive response to coworkers' i-deals, in part because its longer timeframe and mutuality of concern increase the odds of a comparable future deal.

Analyses suggest the likely mediating role of comparable future opportunity in the effect of employment relationship on coworker acceptance. Note, our dependent variable, future acceptance, and the justice variable, comparable future opportunity, are each responses to a potential future, while their antecedents, the nature of the employment relationship, constitute present conditions. The present employment relationship and anticipated future treatment logically precede coworker judgments regarding their likely responses to a peer's future i-deal. Nonetheless, limited sample size and number of variables do not permit testing of whether comparable future opportunity's mediating role is full or partial. Moreover, though our SEM results support a mediating role, the Sobel tests showing insignificant results at a .05 level necessitate a cautious interpretation of the mediation effect and a call for future research on the role of anticipating comparable future opportunity in i-deal acceptance.

Limitations

This study's limits are related to its combination of work group network and individual data from a single firm. Its sample size is small, constraining degrees of freedom and statistical power. On the other hand, its focus on the entire set of core workers critical

to a knowledge-oriented firm, and in the context of their immediate workgroups, provides a theoretically appropriate setting in which to study relational effects on coworker responses to i-deals. By investigating coworker i-deal acceptance in a single firm, this study controls for organizational differences in HR and related justice practices, while providing insight into the role that contextual factors might play in implementing i-deals coworkers might accept (see below). Another limit is its narrow definition of work group. Work groups were defined based on the formal organizational chart, although participants also worked with others outside these groups. It is unknown whether the same factors affect reactions to i-deals outside formal work groups.

Given our focus on a single firm's core workers, it is likely that the present study investigated i-deals in an environment optimal for promoting coworker acceptance. Coworker reactions are particularly likely to be affected by the availability of information regarding i-deals (Rousseau, 2005). In our setting, the close proximity in which group members worked made special arrangements especially visible, leading members to be more cognizant of any deals their peers might have. Coworkers may view i-deals positively if their visibility or public nature makes them appear normative. In most firms, i-deals are not public, instead taking the form of informal, private arrangements (Rousseau, 2005). Unless a deal is visible to coworkers, such as a work schedule obviously different from officemates' schedules, coworkers may be unaware of i-deals or may view those they do notice as unusual or irregular. The exceptional nature of i-deals (real or perceived) can make them counter-normative in other settings, diminishing acceptance despite good workplace relationships. Future studies should attend to the public/private and normative nature of i-deals. Research also is needed on other factors that might lead individuals to anticipate comparable i-deals or support those of others (e.g., abundant organizational resources).

Implications for Future Research

Organizational justice played a critical role in this study not only in acceptance of peers' i-deals but also in the manner the employment relationship affected it. Though anticipated in idiosyncratic deal theory (Greenberg et al., 2005; Rousseau, 2005), the critical role played by anticipation of comparable

future opportunity suggests that justice dynamics may be more central to our understanding of social and economic exchange in the workplace than previously recognized. Future research on the employment relationship's impact on worker attitudes and behavior should take into account the conflation of justice issues like comparable opportunity with the employment relationship itself.

In the present study, the role of time, that is, whether the employment is likely to continue in the future, may account for the intervening role played by our justice variable. In social exchange, the interpersonal concern these relationships entail co-occurs with the likelihood of employment continuing into the future. In contrast, economic exchange with its more limited array of resources and investment between worker and firm typically co-occurs with anticipation of shorter-term employment. When employment is likely to continue into the future, both parties can anticipate opportunities for future exchange, making turn-taking a feasible basis for resource allocation. Where limited duration is expected, delayed reciprocity, turn-taking, and other time-enabled exchanges are less feasible. Justice concerns may be more readily ameliorated when employment is expected to continue over time. Future research can tease out the role of time by assessing the worker's anticipated length of service.

The present study investigated reactions to a colleague's future i-deals, not to existing ones. Studies of reactions to actual i-deals need to account for two facets of i-deals: content and timing. In terms of content, i-deals impact the employment relationship differently depending on the resources involved. I-deals for career development tend to increase employee contributions to the employer and reinforce their social exchange; i-deals that diminish contributions by reducing work hours or workload can ultimately undermine the status of employment as a social exchange, transforming it into a more limited economic exchange (Hornung, Rousseau, & Glaser, 2008; Rousseau & Kim, 2004). An i-deal's ultimate effect on its recipient and his or her employment relationship has implications for coworkers, including their interest in future i-deals. In terms of timing, coworkers may interpret i-deals negotiated during recruiting (ex ante) differently than those made once workers are on the job (ex post). (Our study dealt only with future ex post deals.) Timing influences the bases and content of i-deals (Rousseau, 2005). Adverse reactions are particularly likely to deals made when a coworker threatens to quit, conveying mixed signals about the employer's respect for fairness and loyalty.

Implications for Practice

Our findings provide insights for both employers and employees. For employers seeking to use i-deals to retain and attract valued workers while minimizing coworker backlash, our findings suggest the following practices: (a) fostering social exchange in the workplace by developing interpersonal support and mutual concern and (b) providing credible assurances regarding availability of comparable arrangements if circumstances warrant. For employees seeking i-deals for themselves, pre-work to build and maintain good relationships with coworkers can enhance their willingness to lend their support and reduce backlash to an i-deal.

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Appendix A

The QAP Regression

QAP regression is a two-step procedure. In the first step, network data formatted as a matrix ($N \times N$) are transformed into a vector of a length of $N(N-1)$, omitting diagonal values. Regular OLS regression is then conducted on the vectors to estimate the beta coefficient for each independent variable, a coefficient referred to as the observed beta. A second step makes it possible to test the observed beta's statistical significance by a procedure that ultimately yields p values. The dependent variable matrix is randomly permutated, and a beta estimate for each independent variable is generated on the permutated dependent variable. Permutation is repeated thousands of times to generate a set of beta estimates for each independent variable.

To calculate p values, the set of beta estimates generated in step two are compared with the observed beta generated in step

one. The p value is computed as $(S + 1)/(K + 1)$, where K is the number of permutations performed in step two, and S is the number of beta estimates generated in step two that are greater (or smaller) than or equal to the observed beta (Hinds et al., 2000). Specifically, given each observed beta, two p values are computed: p as large (indicating the proportion of the permutations with beta estimates at least as large as the observed beta) and p as small (indicating the proportion of the permutations with beta estimates at least as small as the observed beta). Note that the sum of the two p values tends to be greater than 1 because some beta estimates exactly equal the observed beta (a tie). The UCINET (Borgatti, Everett, & Freeman, 2002) software packet was used to run the QAP regression in this study.

Appendix B

The Meta-Analysis Procedure

The Q test requires estimates for the standard errors of beta coefficients. Interdependency among network data makes it inappropriate to use standard error estimates obtained from regular OLS regression because of network data's autocorrelated error terms (Krackhardt, 1988). To solve this problem, Krackhardt and Kilduff (1999) proposed a way of computing pseudo-standard errors for beta coefficients. Following the logic of the QAP regression, thousands of estimates of one beta coefficient are generated by permutation methods, and the standard deviation of those estimates is computed and used as the beta coefficient's pseudo-standard error. Then a weighted estimate of the population beta (β_+) can be calculated as follows:

$$\beta_+ = \frac{\sum_{i=1}^{k}\left[\frac{\beta_i}{\hat{\sigma}^2_{(\beta_i)}}\right]}{\sum_{i=1}^{k}\frac{1}{\hat{\sigma}^2_{(\beta_i)}}} \qquad (1)$$

where k is the number of groups, β_i is the observed beta for group i, and $\hat{\sigma}_{(\beta_i)}$ is the estimated standard error for β_i. The weighted estimate of the population beta (β_+) weights each observed beta by its variance. Then the Q statistic is computed (Krackhardt & Kilduff, 1999):

$$Q = \sum_{i=1}^{k}\left[\frac{(\beta_i - \beta_+)^2}{\hat{\sigma}^2_{(\beta_i)}}\right] \qquad (2)$$

Since the Q statistic has an asymptotical chi-square distribution with $(k - 1)$ degrees of freedom, the associated p value can be easily computed to test if the observed betas are significantly different across groups. If they do not differ, the Stouffer's Z test can be conducted.

The Stouffer's Z test is a three-step procedure. In the first step, each p value associated with the observed beta of the 10 groups was converted into a corresponding z by using a standard normal distribution table. In the second step, the Stouffer's Z was computed as follows:

(Appendixes continue)

$$Z = \frac{\sum\limits_{i=1}^{k} z}{\sqrt{k}} \qquad (3)$$

where k is the total number of groups. Since each z is standard normally distributed, $\sum\limits_{i=1}^{k} z$, is normally distributed with mean of 0 and variance of k as is the Stouffer's Z. In the third step, the pooled p corresponding to the Stouffer's Z was computed to show the overall significance level over the 10 groups.

However, the Stouffer's Z test requires the exact p value associated with the observed beta for each of the 10 groups. As mentioned in Appendix A, the QAP regression generates two p values (p as large and p as small) for each of the observed betas. Neither p value is the ideal candidate for the Stouffer's Z test because one is too liberal and the other too conservative for testing pooled significance, given the high proportion of ties. Instead, we compute a weighted $p(p_w)$ as a better candidate for the Stouffer's Z test:

$$p_w = p_s - p_t + \left(\frac{p_s}{p_s + p_l}\right) \times p_t \qquad (4)$$

where p_t is the proportion of permutations in the QAP regression with beta estimates exactly equal to the observed beta (ties), p_s is the p as small and p_l is p as large. The weighted p solution solves the issue of ties by splitting ties proportionally. As shown in Table 3, a weighted p was computed for the observed beta in each group. These statistics were then used in a Stouffer's Z test to calculate the pooled p for the overall significance across the 10 groups.