

How Do Idiosyncratic Deals Contribute to the Employability of Older Workers?

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## Abstract

Research paper

### **Purpose**

This study examined the relationships of i-deals with the employability of older workers, and introduces two distinct theoretical processes through which these effects occur. On the one hand, a self-enhancement perspective postulates that i-deals enhance self-efficacy through which older workers become more employable. On the other hand, a lifespan perspective postulates that i-deals enhance older workers' future time perspective through which they become more employable.

### **Design/methodology/approach**

Data were gathered among 244 employees via an online questionnaire that had been sent to employees of 45 years or older at eight companies in the Netherlands.

### **Findings**

Results showed that task and work responsibilities i-deals are strongly related to older workers' employability, and that this relationship is mediated by future time perspective and self-efficacy. Location flexibility i-deals were positively related to employability. Financial i-deals and schedule flexibility i-deals were unrelated to employability.

### **Practical implications**

As the percentage of older workers will increase, there is a great need for organizations to focus on the employability of older workers. The present study shows that organizations are able to increase the employability of older workers by individual arrangements.

### **Originality/value**

Individualization of work arrangements has been theorized to facilitate older workers' employability, but the present study is the first to investigate how i-deals may contribute to greater employability.

### **Keywords**

*I-deals, Idiosyncratic deals, Employability, Older workers, Future time perspective, Self-efficacy*

## Introduction

The proportion of older workers is growing rapidly in many countries (Wright, 2006). These demographic changes pose many challenges for organizations as well as workers, as human resource practices have been traditionally designed for younger workers (Bal *et al.*, 2013). In response to the aging workforces, organizations have started to design human resource practices targeted at older workers in order to retain them, and to facilitate their motivation and productivity across their career (Kooij *et al.*, 2013). However, research on the effectiveness of such practices shows that results are inconsistent, and that an individual approach to older workers is crucial in maintaining their motivation and productivity (Bal and Jansen, 2015; Freese *et al.*, 2012; Kooij *et al.*, 2013). Because workers become more heterogeneous when they age (Bal *et al.*, 2012; Bal and Kooij, 2011; Nelson and Dannefer, 1992), they tend to have more heterogeneous needs in relation to their work. Therefore, individualized agreements between employees and organizations are postulated to become of particular relevance for older workers (Bal and Jansen, 2015; Bal *et al.*, 2015). However, in the current labor market, workers are not only expected to be productive, but also to be employable. Employability can be defined as “the continuous fulfilling, acquiring, or creating of work through the optimal use of competences” (Van der Heijde and Van der Heijden, 2006, p. 453). Older workers still face discrimination in the workplace and difficulties in finding new jobs (Ng and Feldman, 2008). Therefore, employability among older workers is crucially important; it pertains to their chances of remaining employed throughout their careers (Bal *et al.* 2012). In this study we will investigate the relationship between employability of older workers and individualized agreements (i.e., i-deals Rousseau, 2005).

While previous research has primarily used social exchange theory to explain the effects of i-deals on employees (e.g., Anand *et al.*, 2010; Rosen *et al.*, 2013), we argue that employability is enhanced not so much as an effect of a social exchange process, but rather on the basis of self-enhancement (Liu *et al.*, 2013) and time perspective (Bal *et al.*, 2010). I-deals contribute to the self-esteem of employees, as they facilitate personal growth and development (Liu *et al.*, 2013). Moreover, as i-deals contribute to the development of employees, they are likely to extend the perceptions of available opportunities in the future (Bal *et al.*, 2010). We will therefore investigate the mediating roles of self-efficacy and future time perspective in the relations between i-deals and employability.

In sum, the present study contributes to previous research on i-deals and employability (Liao *et al.*, 2014) by investigating how i-deals may contribute to the employability of older workers. Thereby we advance understanding of how i-deals not only benefit workers in their current jobs, but also beyond their current jobs by looking at their employability levels. Finally, we contribute to the literature by investigating the utility of i-deals especially for older workers. While previous conceptual work has addressed the potential role that i-deals may play for older workers (Bal and Jansen, 2015), this is one of the first empirical studies to test these propositions. Moreover, we examine how these relationships unfold, by investigating the mediating roles of self-efficacy and future time perspective.

### *I-deals in the Workplace*

In the contemporary workplace, employees are increasingly negotiating individualized working conditions, while standardized human resource practices are in decline (Liao *et al.*, 2014). With collective bargaining being reduced, employees become more focused on obtaining idiosyncratic deals (Bal and Lub, 2015). I-deals are customized employment conditions as a

result of the negotiations between an individual worker and the employer that satisfy both parties (Rousseau, 2005). I-deals are defined by Rousseau (2001, 2005; Rousseau *et al.*, 2006, p.978) as “voluntary, personalized agreements of a nonstandard nature negotiated between individual employees and their employers regarding terms that benefit each party”. There are a number of features that distinguish i-deals from other types of employer treatments. I-deals are individually negotiated, can be heterogeneous among employees, and should benefit both employees and organizations. Moreover, i-deals may vary in scope and thus capture an individually agreed work condition, such as a training course, or may capture fully idiosyncratic jobs, in which all employment conditions are negotiated between the employee and the organization.

The study of Rosen *et al.* (2013) showed that there are four types of i-deals commonly being negotiated in the workplace: task and work responsibilities (i.e., arrangements regarding education, tasks, or promotions), schedule flexibility (i.e., arrangements regarding the working hours), location flexibility (i.e., arrangements regarding location), and financial incentives (i.e., arrangements regarding salaries and bonuses). The negotiation of one type of i-deal can occur independently of bargaining for another and employees who obtained one type of i-deal may or may not receive another type. Hence, different types of i-deals are often treated as distinct variables (Liao *et al.*, 2014). Moreover, different types of i-deals may be differentially related to outcomes, as for instance research showed that flexibility i-deals were directly related to motivation to continue working, while development i-deals only related to motivation under conditions of a supportive climate (Bal *et al.*, 2012). Hence, there is a need for more research on the relationship between the different types of i-deals and work-related outcomes.

Research has typically used social exchange theory (Blau, 1964) and the norm of reciprocity (Gouldner, 1960) to explain the relationships of i-deals with outcomes (Bal and

Rousseau, 2015). I-deals form the basis of an exchange agreement between the employee and the organization; when organizations grant i-deals to employees, they feel obligated to reciprocate to the organization, and therefore become more committed (Hornung *et al.*, 2010), perform better (Bal and Dorenbosch, 2015), and contribute with a more constructive voice (Ng and Feldman, 2015). Hence, there is accumulating evidence for the positive effects of i-deals for both employees and organizations (Anand *et al.*, 2010; Bal and Dorenbosch, 2015; Hornung *et al.*, 2010). However, social exchange theory is too limited to explain all the potential effects i-deals have on outcomes (Liao *et al.*, 2014; Liu *et al.*, 2013). Social exchange theory (Blau, 1964) predicts that employees, when they are able to obtain an i-deal from their organization, return this favorable treatment with loyalty and effort. However, this perspective assumes that i-deals are primarily instrumental for organizations, as they can be used to promote employee motivation and effort. We expect, however, that i-deals extend this instrumental perspective, because they signal that the employee is important for the organization (Liu *et al.*, 2013), and they also contribute to employee personal growth and development (Bal *et al.*, 2012). We therefore introduce two new theoretical perspectives on how i-deals may relate to employability (i.e., a self-enhancing perspective and a time perspective), and empirically assess these perspectives by testing the mediating effects of self-efficacy and future time perspective on the relationship between i-deals and employability.

### *I-deals and Employability*

There are many conceptualizations of employability (e.g., Fugate *et al.*, 2004; Van der Heijde and Van der Heijden, 2006). For example, Fugate *et al.* (2004) argue that employability facilitates the identification and realization of job and career opportunities both inside and outside organizations. Van der Heijde and Van der Heijden (2006) provided a more integrated

definition that is competency-driven. They combine aspects of personality, motivation, behavior, and attitudes. According to these authors employability is the ability of employees to perform the current job, to get, or to create a new job, by making optimal use of existing competences.

Employability is conceived as a psycho-social construct, including both subjective and objective elements. In this study we focus on the subjective dimension of employability, i.e., employees' employability perceptions (Forrier *et al.*, 2015; Van der Heijde and Van der Heijden, 2006). We focus on the competency-based approach to employability (Van der Heijde and Van der Heijden, 2006), as the chances of older workers to find a new job outside their organization are dependent upon whether they have the skills and motivations to conduct work in a different context (Bal *et al.*, 2012).

In this paper, we argue that i-deals contribute to older workers' employability. An individualized approach (i.e., implementation of i-deals) will be particularly important for older workers in enhancing employability. The study of Bal *et al.* (2012) explicitly integrated the heterogeneity perspective in their study and found that i-deals related to higher motivation to continue working after retirement, based on the idea that to be able to continue working, i-deals may help older workers to realize their needs. Accordingly, organizations have already started implementing individualized career patterns and work arrangements for older workers (Benko and Weisberg, 2007; Pitt-Catsouphes and Matz-Costa, 2008).

There may be theoretical reasons to expect that more employable employees may have better opportunities to negotiate i-deals (e.g., Rousseau, 2005). Theoretically, i-deals and employability may be reciprocally related but there are particularly theoretical indications that i-deals relate to higher employability. First, i-deals are not only negotiated by employable people, but also by high-performers (Guerrero *et al.*, 2014), employees who have showed loyalty to their

organization over the years (Rousseau, 2005), and employees who experience problems, such as a work-life imbalance (Bal *et al.*, 2012). Hence, the reasons why employees start negotiating may vary substantially, and may include feelings of entitlement resulting from being employable, but also include a range of other motives and backgrounds. Therefore, it is important to investigate, regardless of the specific reason of negotiation, whether i-deals contribute to employability.

Practically, there are also reasons why i-deals are particularly important for employability. In the contemporary labor market, it is becoming more important for organizations to retain their older workers, and for older workers to continue working at higher ages (Bal *et al.*, 2012). To ensure that older workers remain employed, regardless of whether it is within their current organization or another organization, we need to investigate the tools that organizations may use to enhance their employability. As i-deals are a reflection of organizational practices to motivate and retain their workers (Rosen *et al.*, 2013), they provide insights into what organizations can do to contribute to the employability of older workers.

We thus argue that i-deals may contribute to older workers' employability as they expand the opportunities for older workers to learn new things, develop stronger social networks, and extend their perceptions of their work-related future (Bal *et al.*, 2010; Lee *et al.*, 2015; Rosen *et al.*, 2013). However, we do not expect each type of i-deals to enhance employability, as previous research has showed that some i-deals may be more important than other in explaining outcomes (Anand *et al.*, 2010; Hornung *et al.*, 2010; Rosen *et al.*, 2013). Rousseau *et al.* (2009) indicated that especially i-deals for task and work responsibilities are related to the socio-emotional aspects of work. Arrangements regarding training and development are crucial for organizations dealing with older workers. Armstrong-Stassen and Ursel (2009) argue that tailored training and

development opportunities meet the individual needs of older workers and result in more interesting and challenging work. I-deals for task and work responsibilities therefore create future opportunities in the relationship with the organization and commitment between employer and employee, thereby increasing performance and satisfaction (Armstrong-Stassen and Ursel, 2009; Hornung *et al.*, 2010). As task and work i-deals stimulate personal growth and development (Hornung *et al.*, 2010), older workers will build on their competencies when they negotiate these i-deals, and therefore feel that they will be more successful on the labor market. Hence, we propose that task and work responsibilities i-deals are effective in increasing older workers' employability. This leads to the following hypothesis:

*Hypothesis 1:* I-deals for task and work responsibilities are positively related to the employability of older workers.

#### *Mediational Processes of Self-Efficacy and Future Time Perspective*

I-deals may contribute to employability through two distinct processes. On the one hand, a self-enhancement perspective proposes that i-deals for task and work responsibilities elicit positive self-perceptions (Liu *et al.*, 2013). On the other hand, a time perspective proposes that when workers negotiate i-deals, they may perceive more work-related opportunities in their future.

First, we expect the relationship between i-deals for task and work responsibilities and employability to be mediated by self-efficacy, i.e., the belief of a person in one's own capabilities to successfully pursue his or her influence (Bandura, 1997). Self-efficacy is increased by success in life, positive experiences, positive feedback, and motivation (Chen *et al.*, 2001). Since the negotiation of task and work responsibilities i-deals make one's work more interesting and challenging (Armstrong-Stassen and Ursel, 2009), i-deals for task and work

responsibilities are likely to have a positive effect on an employee's self-efficacy. Berntson *et al.* (2008) argue that employability is strongly related to specific knowledge, and thus the skills developed by training and development. Moreover, following the theory of Bandura (1997), high self-efficacy leads to the motivation to perform better, and will subsequently be associated with higher perceived employability, as workers will feel more positive about their chances on the labor market. In sum, task and work responsibilities i-deals will contribute to higher self-efficacy, through which older workers will feel more employable.

A second factor that is expected to mediate the relationship between i-deals for task and work responsibilities and employability is future time perspective. Future time perspective focuses on peoples' subjective time experiences (Husman and Shell, 2008; Lang and Carstensen, 2002) and refers to how much time individuals believe they have left in the future (Cate and John, 2007). Although age is negatively related to future time perspective (Zacher and Frese, 2009), large differences among older people have been reported (Fung *et al.*, 2001). Bal *et al.* (2010) showed that socio-emotional contract fulfillments are strongly related to future time perspective. In other words, older workers who have successfully negotiated i-deals for task and work responsibilities are likely to see more opportunities in life and work and thus have a more open future time perspective (Carstensen, 2006). Task and work responsibilities i-deals are associated with feelings of control over one's work, and better problem solving skills and acquisition of new skills (Hornung *et al.*, 2010), through which employees will perceive more opportunities in the future. This subsequently translates into more confidence pertaining to one's career and one's chances on the labor market. Employees with an open future time perspective are likely to develop and maintain skills that give them more control over their careers. In turn,

these skills are likely to help older workers to increase their employability (De Graaf *et al.*, 2011). This leads to the following hypothesis:

*Hypothesis 2:* The relationship between task and work responsibilities and employability is mediated by self-efficacy (H2a) and future time perspective (H2b).

#### *Relationships of Other Types of I-deals with Employability*

Older workers often need flexible and part-time working hours to combine work with care for parents or grandchildren, or because of health-related issues (Wright, 2006). I-deals may facilitate employees to meet their nonwork obligations. Especially, i-deals for schedule and location flexibility ensure the ability to combine caring responsibilities. May *et al.* (2004) showed that for older workers adjustments in the work environment lead to fewer opportunities at work. Moreover, from the employer's perspective, i-deals for schedule and location flexibility could suggest that there is a decreased work motivation, which could negatively affect performance and employability (Rousseau, 2005). Maintaining qualification (skills) and motivation throughout a career is important in rendering employability.

For schedule flexibility i-deals, we expect a negative relationship with employability. In line with work adjustment theory (Bal *et al.*, 2012; Baltes *et al.*, 1999), schedule flexibility is often negotiated to allow employees to obtain a better fit between their work and their private life. Motives for negotiating individualized flexible work schedules often include a misfit between one's work demands and demands in private life (e.g., having parents to look after). When one is able to negotiate a schedule flexibility i-deal, it creates a unique relationship between the employee and the organization in which the employee is able to balance work demands and private demands. However, moving to another organization does not take away the demands resulting from private life. Hence, the employee would have to renegotiate flexibility to

align work demands and private demands. As this entails an insecure situation, employees may actually feel less employable, as they are uncertain about whether they are able to achieve a similar work-life balance in other jobs.

For location flexibility i-deals, such an arrangement indicates the employee's willingness to conduct (part of the) work outside the office (such as working from home). Having location flexibility i-deals indicates a commitment from the employee to engage in efforts outside of the regular working hours and locations, which will be reflected in the employee's willingness to be flexible (Kelliher and Anderson, 2010). This flexibility will be transferred to potential other employers, indicating a willingness to conduct work in a flexible way, which will be valued by organizations, and thus enhancing their employability.

For financial i-deals, we expect no relationship with employability. Attractive individualized remuneration packages for employees within a current organization may tie them strongly to their current organization, and may be an indication of the value they have for their current organization (Collela *et al.*, 2007). However, this value may not be contributing to their employability as it merely indicates their value to their current organization, rather than being transferable to other organizations. This leads to the following hypothesis:

*Hypothesis 3:* Schedule flexibility i-deals (H3a) are negatively and location flexibility i-deals (H3b) are positively related to the employability of older workers.

## **Method**

### *Participants and Procedure*

Data were collected at multiple organizations and branches to increase the variance in the type and amount of i-deals that participants have negotiated. Following Rothwell *et al.* (2008), this study focuses on employees over 45 years. This group increases in percentage compared to

younger workers in the coming years due to 1) the baby boomers who are now in the second half of their careers and 2) the declining birth rate in recent decades (Bal *et al.*, 2013; Rothwell *et al.*, 2008). Data were gathered via an online questionnaire. Employees at eight companies in the Netherlands (i.e., an engineering agency, a municipality, a college of higher vocational education, a beer brewery, a retailer, a caterer, a wholesale dealer, and a housing association) were invited to participate in the study via an email which was sent by the HR department of those companies. We asked the HR department to send the email to 50-100 employees over 45 years. Six of these companies employ over 250 persons. The invitation email contained the link to the questionnaire and a detailed explanation of the study procedure, including the time it would take to fill out the questionnaire and the guarantee that study participation would be voluntary (participants could end the study at any moment without any consequences) and anonymous (participants did not have to provide their name). As a reward, the participants received a management summary of the study findings. The questionnaire was filled out by 284 participants (i.e., a response rate of about 47%). A total of 40 participants were removed from the dataset as they had not filled out the questionnaire completely. Of the remaining 244 participants, 87 were female (35.7%) and 157 were male (64.3%). Their age varied between 45 and 65 years, with a mean age of 53 ( $SD = 5.1$ ). On average they worked 19 years ( $SD = 11.2$ ) for their current employer. Seventy-one percent of the participants worked full time ( $\geq 36$  hours per week). Most of the participants had obtained a higher vocational education degree (34.8%) or an academic degree (30.3%).

### *Measures*

All items were measured on a 5-point Likert scale with 1 = *fully disagree* and 5 = *fully agree*, except for the items of the employability scale which were measured on 6-point scale with

varying response categories. Participants were instructed to fill out the questionnaire having their work and/or career in mind.

*I-deals.* We used the 16-item questionnaire of Rosen *et al.* (2013), which was translated to Dutch by Van der Meij and Bal (2013), to measure the four type of i-deals. Rosen *et al.* (2013) developed this scale, and found the scale to be valid and reliable. I-deals for task and work responsibilities were measured with 6 items. An example item is “I have successfully asked for extra responsibilities that take advantage of the skills that I bring to the job”. I-deals for schedule flexibility were measured with 3 items. An example item is “My supervisor considers my personal needs when making my work schedule. I-deals for location flexibility were measured with 2 items. An example item is “Because of my individual needs, I have negotiated a unique arrangement with my supervisor that allows me to complete a portion of my work outside of the office. I-deals for financial incentives were measured with five items. An example item is “My supervisor has ensured that my compensation arrangement (e.g., hourly vs. salaried) meets my individual needs”. A confirmatory factor analysis (CFA) confirmed that the four-factor structure fits the data well,  $\chi^2(98) = 187.28, p < .01, CFI = .94, RMSEA = .06$  (90% confidence interval [CI] = .05 - .07), SRMR = .06. The four-factor model fitted the data significantly better than a one-factor model,  $\Delta\chi^2(6) = 727.33, p < .01, \chi^2(104) = 914.61, p < .01, CFI = .49, RMSEA = .18$  (90% CI = .17 - .19), SRMR = .15.

*Self-efficacy.* We used the 8-item scale of Chen *et al.* (2001) to measure participants’ general self-efficacy. Hence, this measure refers to people’s generalized self-efficacy, rather than self-efficacy in relation to the achievement of a particular goal. The items were translated to Dutch by the second author of this manuscript and then back-translated by the first author and

checked for inconsistencies. An example item is “I am confident that I can perform effectively on many different tasks”.

*Future time perspective.* The 10-item scale from Lang and Carstensen (2002), which was translated to Dutch by Bal *et al.* (2010), was used to measure participants’ future time perspective. Items referred to people’s perceptions of how much time they felt they have left in their lives and how many opportunities they perceived to have. An example item is “Many opportunities await me in the future”.

*Employability.* The questionnaire of Van der Heijde and Van der Heijden (2006) was used to measure participants’ employability. This questionnaire consists of five scales measuring occupational expertise (15 items), anticipation and optimization (8 items), personal flexibility (6 items), corporate sense (7 items), and balance (9 items). Examples of items are: “How would you rate the quality of your skills overall?” (occupational expertise), “During the past year, I was actively engaged in investigating adjacent job areas to see where success could be achieved” (anticipation and optimization), “How easily would you say you are able to change organizations, if necessary” (personal flexibility), “In my work I take the initiative in sharing responsibilities with colleagues” (corporate sense), and “My work efforts are in proportion to what I get back in return (e.g., through primary and secondary conditions of employment, pleasure in work)” (balance). A CFA confirmed that a model with employability as the second order factor and five first order factors (occupational expertise, anticipation and optimization, personal flexibility, corporate sense, and balance) fits the data reasonably well,  $\chi^2 (940) = 1963.55, p < .01, CFI = .82, RMSEA = .07 (90\% CI = .06 - .07), SRMR = .08$ . Modification indices indicated one problematic item in the Balance scale (i.e., “I suffer from work stress”). Removal of that item significantly improved model fit,  $\Delta\chi^2 (43) = 205.13, p < .01, \chi^2 (897) =$

1758.37,  $p < .01$ , CFI = .84, RMSEA = .06 (90% CI = .06 - .07), SRMR = .07. We believe the data provided sufficient support for this model as the first order and second order factor loadings were all significant and varied between .41 and .91. Furthermore, the second order model fitted the data significantly better than a one-factor model,  $\Delta\chi^2 (5) = 1341.41$ ,  $p < .01$ ,  $\chi^2 (902) = 3099.78$ ,  $p < .01$ , CFI = .59, RMSEA = .10 (90% CI = .096 - .104), SRMR = .11.

## Results

### *Preliminary Analyses*

Table 1 shows the means, standard deviations, correlations, and scale reliabilities for all study variables. Hypotheses were tested with structural equation modeling using AMOS 20.0 (Arbuckle, 2011). Because identification problems may occur using all observed and latent variables simultaneously and the CFA's of the scales confirmed their factor structures, the analyses were conducted using the scale scores. The structural model is shown in Figure 1. All variables were controlled for age. The four i-deals and the mediators were allowed to covary. The data showed adequate fit to the specified model,  $\chi^2 (7) = 14.07$ ,  $p = .05$ , CFI = .98, RMSEA = .06 (90% CI = .001 - .11), SRMR = .04. The hypothesized model fitted better than alternative models, including a model in which the relationship between i-deals for location flexibility and employability is also mediated by self-efficacy and future time perspective,  $\Delta\chi^2 (1) = 0.16$ ,  $p = .69$ ,  $\chi^2 (8) = 14.23$ ,  $p = .08$ , CFI = .98, RMSEA = .06 (90% CI = .000 - .104), SRMR = .14, a model with self-efficacy as the only mediator,  $\Delta\chi^2 (3) = 2.87$ ,  $p = .41$ ,  $\chi^2 (4) = 11.20$ ,  $p = .02$ , CFI = .97, RMSEA = .09 (90% CI = .03 - .15), SRMR = .03, a model with future time perspective as the only mediator,  $\Delta\chi^2 (3) = 3.08$ ,  $p = .38$ ,  $\chi^2 (4) = 10.99$ ,  $p = .03$ , CFI = .97, RMSEA = .09 (90% CI = .03 - .15), SRMR = .03, and a model in which the hypothesized relationships are reversed,  $\Delta\chi^2 (11) = 120.39$ ,  $p < .01$ ,  $\chi^2 (18) = 134.46$ ,  $p < .01$ , CFI = .68,

RMSEA = .16 (90% CI = .14 - .19), SRMR = .13. In addition, we conducted a multiple group analysis in which we compared the structural model for 1) employees between the ages of 45 and 54 ( $n = 137$ ) and employees older than 55 years ( $n = 107$ ) and 2) employees working for profit organizations ( $n = 147$ ) and employees working for non-profit organizations ( $n = 95$ ). Results showed the structural model to be invariant across groups,  $\Delta\chi^2(7) = 4.24, p = .75$  and  $\Delta\chi^2(10) = 12.16, p = .28$ , respectively.

### *Hypotheses*

Hypothesis 1, which stated that i-deals for task and work responsibilities would be positively related to the employability of older workers, was supported. The direct effect of i-deals for task and work responsibilities on employability was .22 ( $p < .01$ ). After controlling for self-efficacy and future time perspective the direct effect of i-deals for task and work responsibilities on employability became non-significant .06 ( $p = .06$ ). To test whether self-efficacy (H2a) and future time perspective (H2b) fully mediate the relationship between i-deals for task and work responsibilities and employability, a bootstrapping procedure was used (Preacher and Hayes, 2008). By extracting 1000 bootstrapped samples from the dataset based on random sampling with replacement, 90% bias corrected CIs were calculated. A significant total indirect effect of i-deals for task and work responsibilities on employability was found (unstandardized effect = .10,  $SE = .04$ , 90% CI = .04 - .17,  $p < .01$ ). AMOS does not accommodate bootstrapping for specific indirect effects in the case of multiple mediators. We circumvented this limitation using the phantom model approach (Macho and Ledermann, 2011), in which each specific indirect effect is represented in the form of a total effect by means of phantom latent variables. As hypothesized, i-deals for task and work responsibilities had a positive indirect effect on employability via self-efficacy (unstandardized effect = .07,  $SE = .03$ ,

90% CI = .03 - .15,  $p < .01$ ) as well as via future time perspective (unstandardized effect = .03,  $SE = .02$ , 90% CI = .01 - .06,  $p < .01$ ).

Our final hypothesis, which stated that i-deals for schedule flexibility (H3a) and location flexibility (H3b) would be related to the employability of older workers, was partly supported. The effect of i-deals for schedule flexibility on employability was negative but non-significant (.08 ( $p = .08$ )). The effect of i-deals for location flexibility on employability was positive and significant (.11 ( $p = .02$ )). As expected, I-deals for financial incentives did not have a significant effect on the employability of older workers (.02 ( $p = .36$ )).

### **Discussion**

This study focused on the relationships of different types of i-deals with the employability of older workers. In line with our hypothesis, i-deals for task and work responsibilities were found to be positively related to the employability of older workers and this relationship was fully mediated by self-efficacy and future time perspective. Hence, older workers' employability may be enhanced through negotiation of i-deals, in particular task and work responsibilities i-deals. Moreover, the study showed that the relationship between i-deals for task and work responsibilities and employability can be explained on the basis of a self-enhancement and an increased future time perspective.

In addition, a positive relationship was found between i-deals for location flexibility and employability. More and more companies allow their employees to work remotely. In the US alone, 9% of the employee population work virtually at least eight hours per week (Jones, 2005). In the Netherlands, a third of all employees work at home at least one hour a week (Central Bureau of Statistics, 2013). Hence, i-deals for location flexibility and a record of being able to effectively work from home makes older workers more employable. I-deals regarding schedule

flexibility and i-deals regarding financial incentives did not relate to the employability of older workers. These i-deals relate to the fit between work and private life and the economic aspects of the job, which may be less important for older workers than the socio-emotional aspects (Bal *et al.*, 2010; Rousseau *et al.*, 2009), and therefore might be unrelated to their employability.

The present study contributes to the literature on i-deals in a number of ways. First, this study contributes to new perspectives on labor relations as i-deals are a recent phenomenon. The relationship between i-deals and the concept of employability had not been studied previously. This study showed that i-deals may be an important predictor of the employability of older workers. Hence, i-deals do not only manifest themselves through processes of reciprocation, as i-deals elicit feelings of indebtedness among employees towards their organization, but may also be valued in their own right, as employees feel more employable when they have negotiated i-deals. We also introduced new perspectives on i-deals through extending a self-enhancement approach to i-deals (Liu *et al.*, 2013), and introduced a time perspective approach to i-deals (Bal *et al.*, 2010). Both of these theoretical perspectives were supported by our data, and we showed that self-efficacy and future time perspective may be important outcomes of i-deals as well as mediators in the relationships between i-deals for task and work responsibilities and work outcomes such as employability. Finally, given the differential effects for the different types of i-deals, the present study supported the importance to distinguish between the types of i-deals (Hornung *et al.*, 2010; Rosen *et al.*, 2013).

#### *Limitations and Suggestions for Further Research*

Some limitations of this study should be mentioned. The first limitation is the common-source approach to the study; all variables were measured at the employee level. It is advisable for future research to also measure i-deals from the perspective of the employer, and the extent to

which i-deals are granted by employers. This study has a cross-sectional design, thus creating a measurement at one point in time. The CFA's on the i-deals and employability scales supported their factor structure; both hypothesized models fitted the data significantly and substantially better than a one-factor model, in which all items loaded on one general factor. Furthermore, our hypothesized structural model showed a significantly better fit to the data than a model with reversed relationships. These findings suggest that common method variance did not have a major influence on our findings. Nonetheless, longitudinal research is needed to map causal relations. Second, the response rate was somewhat low. It could be that older workers with specific motivations or attitudes filled out the questionnaire. Finally, most companies in our study had > 250 employees. Large companies often opt for standardized systems for arrangements regarding work relations, which could have affected the relationship between i-deals and employability.

We have measured i-deals using the most prominent and validated measure of Rosen et al. (2013), which ascertains the extent to which employees have negotiated a range of potential i-deals. As i-deals are conceptualized as idiosyncratic arrangements, a common approach to measuring i-deals is via more generalized measures of i-deals, while distinguishing between different types (e.g., schedule flexibility vs. financial incentives i-deals). However, measuring how many i-deals employees have negotiated (and the scope of i-deals as a function of the job) is important for future research.

### *Theoretical Implications*

The study has at least three implications for theory on i-deals and employability. First, the study offers two new perspectives on the understanding of i-deals dynamics in the workplace. By using a self-enhancement and time perspective approach towards studying i-deals, the study

shows that i-deals can be perceived to contribute to employees' self-esteem and efficacy. This refers to an internalization of i-deals in the beliefs system of employees at work (see also Liu *et al.*, 2013). I-deals create a positive signal about the self and how one is valued by the organization. However, a more externalized approach to i-deals is shown in the time perspective, where the study ascertained that i-deals also contribute to employees' perceptions that they have new opportunities to pursue in the future. Hence, i-deals also create the beliefs that there are new opportunities and possibilities in the future. This refers to the creation of future potential through an individualized approach towards management of people in the workplace (Bal and Lub, 2015).

Another theoretical implication of the study pertains to the role of i-deals for employees' opportunities beyond their current organization. As the present study shows that i-deals contribute to employability beyond the organization, this shows that there is also a societal value in enhancing i-deals in the workplace, as their positive effects may spillover to other jobs in other organizations. Hence, for future theorizing on i-deals it is important to take into account the finding that the effects of i-deals may extend beyond jobs in current organizations, and may have effects across people's careers.

Finally, the study also has implications for theory and research on employability. Previous studies have treated employability and its predictors as being stable across persons and situations (Koen *et al.*, 2013). This study adds to earlier research by showing that employability is especially enhanced when taking an individual approach. Individualized agreements between older workers and their organizations are especially relevant in contributing to the employability of these workers, as the individualized agreements may actually reflect the personal needs and wishes of older workers' concerning the development of their career towards retirement.

*Practical Implications*

As the percentage of older workers will increase, there is a stronger need for organizations to focus on the employability of older workers (Wang and Shultz, 2010). The meta-analysis of Liao *et al.* (2014) showed that the likelihood of obtaining i-deals decreases for older workers. The present study shows, however, that to increase the employability of older workers they should offer more individual arrangements. Specifically, i-deals for task and work responsibilities and location flexibility positively affect the employability of older workers. The relationship between i-deals for task and work responsibilities and employability was fully mediated by self-efficacy and future time perspective. Next to negotiating i-deals, we advise organizations to provide older workers with individualized opportunities for training and development to increase their future time perspective and their belief that they are able to successfully perform their job (self-efficacy). Bandura (1997) identified four sources of self-efficacy on which organizations could focus. The first source is past performance. Identifying successful experiences, setting challenging goals, and rewarding achievements are examples of components that organizations should focus on. The second source is indirect experience; to observe someone else performing. The third source is verbal influence; convincing someone you can do something. Finally, there are emotional signals, such as a pounding heart, headache, or sweating hands. Understanding these signals and gaining control over them will lead to higher self-efficacy.

Organizations should also be aware that i-deals may be important for older workers not only as they may enhance self-efficacy, but also as they may contribute to perceptions of having a more extended future, which subsequently contributes to their employability. This is important as previous research has shown that older workers have a lower future time perspective, which

may be detrimental for their work motivation (Bal *et al.*, 2010; Zacher and Frese, 2009).

Organizations may enhance future time perspective of older workers by offering them task and work responsibilities i-deals, which allow them to rediscover new opportunities at work, and also contributing to their employability, all of which is important given the aging workforce and the need to keep older workers in the workforce (Bal *et al.*, 2012). Similarly, location flexibility i-deals may also contribute to older workers' employability, as they may signal a willingness in the older worker to be flexible about how and where work is conducted. This is important as contemporary organizations become more and more hyperflexible, virtual, and rapidly changing in order to stay competitive and survive in a volatile market (Kelliher and Anderson, 2010).

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Table 1.  
*Means, Standard Deviations, Correlations, and Reliability Coefficients of all Study Variables*

	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>Demographics</i>																	
1. Age	53.36	5.07	(-)														
2. Gender	.36	.48	-.18*	(-)													
3. Educational level	4.73	1.27	-.04	-.06	(-)												
4. Hours a week	35.68	6.30	.00	-.41**	.01	(-)											
<i>I-deals</i>																	
5. Task and work	3.42	0.70	.02	.04	.03	.16*	(.82)										
6. Schedule flexibility	3.06	0.78	-.03	.16*	.01	-.07	.28**	(.75)									
7. Location flexibility	2.87	1.03	-.08	-.06	.13*	.09	.27**	.40**	(.85)								
8. Financial incentives	2.04	0.77	.00	-.04	-.07	.11	.32**	.22**	.30**	(.87)							
<i>Mediators</i>																	
9. Self-efficacy	3.79	0.51	-.16*	.04	.03	.27**	.19**	.02	.19**	.09	(.88)						
10. Future time persp.	3.15	0.67	-.35**	.04	.03	.04	.30**	.04	.19**	.20**	.45**	(.87)					
<i>Employability</i>																	
11. Occupational exp.	4.83	0.54	-.13*	.01	.22**	.20**	.00	-.09	.15*	-.02	.64**	.22**	(.93)				
12. Antic. and opt.	3.85	0.64	-.11	.02	.14*	.17**	.22**	-.01	.21**	.08	.52**	.37**	.55**	(.83)			
13. Personal flex.	4.59	0.55	-.14*	.05	.05	.23**	.18**	-.04	.16*	.08	.53**	.42**	.64**	.55**	(.79)		
14. Corporate sense	4.18	0.73	-.09	-.04	.16*	.29**	.33**	.05	.19**	.14*	.46**	.34**	.54**	.54**	.58**	(.85)	
15. Balance	4.09	0.77	-.04	-.02	-.06	.12	.25**	.07	.15*	.19**	.33**	.33**	.35**	.22**	.50**	.27**	(.87)

*Note.* *N* = 244. Gender is coded as 0 = male, 1 = female. Educational level is coded as 1 = primary school, 2 = lower general secondary education, 3 = lower vocational education, 4 = higher secondary education, 5 = higher vocational education, 6 = academic education. I-deals, self-efficacy, and future time perspective were measured on a 5-points scale. Employability was measured on a 6-point scale.

\* *p* < .05, \*\* *p* < .01 (two-tailed)

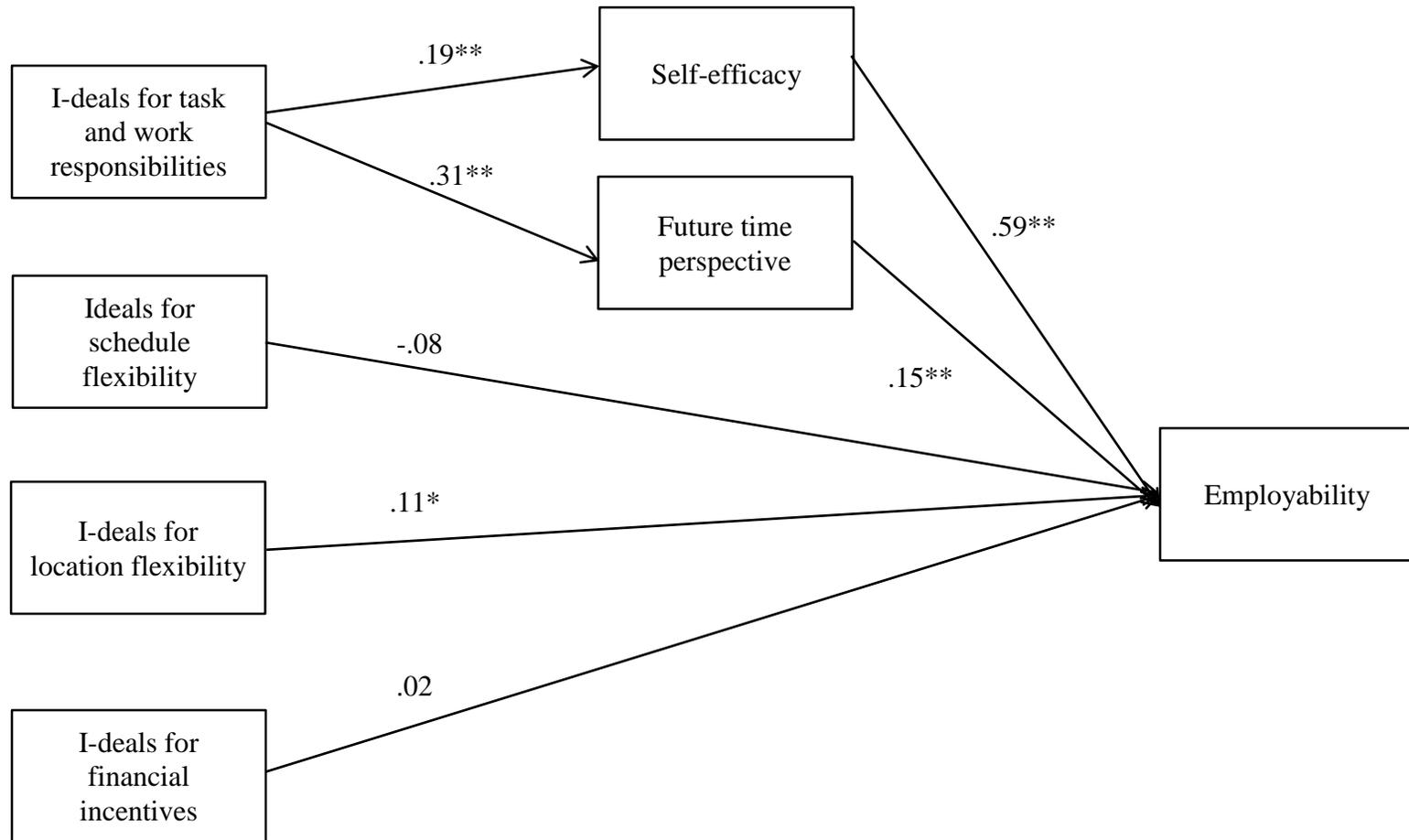


Figure 1. Results for the hypothesized structural model. The I-deals and the two mediators were allowed to covary. All variables were controlled for age. The fit of the model is as follows:  $\chi^2(7) = 14.07, p = .05$ , CFI = .98, RMSEA = .06 (90% CI = .001 - .11), SRMR = .04.  $N = 244$ . \*  $p < .05$ , \*\*  $p < .01$  (one-tailed)