

Individualization of Work: From Psychological Contracts to Idiosyncratic Deals

P. Matthijs Bal

University of Lincoln, United Kingdom

Severin Hornung

Carnegie Mellon University, United States

Abstract

This chapter discusses the links between psychological contracts and idiosyncratic deals. While both concepts have been theoretically developed by the same scholar, they are also indicative of emerging societal trends that influence the topics under study by researchers in the field of Organizational Behavior and Human Resource Management. This chapter discusses how individualization as a broader societal process has influenced the study of psychological contracts, as well as the subsequent shift towards the phenomenon of idiosyncratic deals. Key similarities and differences between the two concepts are discussed. The chapter finishes with recommendations for further research.

Keywords: Psychological contract, idiosyncratic deals, i-deals, individualization, similarities, dignity, dynamics.

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Psychological contract research has flourished over the last 25 years since the seminal work of Denise M. Rousseau (Rousseau, 1989, 1990, 1995). The popularity of the psychological contract is indicated by the extensive number of publications devoted to the topic, including numerous reviews, meta-analyses, and books (Bal, De Lange, Jansen, & Van der Velde, 2008; Conway & Briner, 2005, 2009; Zhao, Wayne, Glibkowski, & Bravo, 2007). Moreover, recent work has devoted special attention to advancing the theoretical understanding of psychological contracts and their dynamics over time (Hofmans, 2017; Solinger, Hofmans, Bal, & Jansen, 2016; Tomprou, Rousseau, & Hansen, 2015). The backdrop of these developments lends credibility to claims that psychological contract research is alive and well, and that within the field, both theoretical, methodological and empirical advances are currently made.

However, at the same time, some aspects of the psychological contract have been largely neglected or overlooked. One of these aspects concerns the role of society in determining the psychological contract of employees with their organizations (Bal & Lub, 2015; Rousseau, 2012). More specifically, psychological contracts can be understood in relation to two societal trends that are closely related to each other. First, growing individualism (Greene, 2008; Oyserman et al., 2002) in society has impacted not only the rise of academic interest in the psychological contract, but also its conceptual complementation by the notion of idiosyncratic deals (Bal & Rousseau, 2015; Rousseau, 2005). Second, neoliberal capitalism has influenced the study of the psychological contract by emphasizing the *contractual* notion of a transactional exchange between employee and organization, thereby replacing earlier conceptualizations of the psychological contract that have emphasized more relational and paternalistic elements of employer responsibility and reliance.

It could be argued that, in combination, these trends have led the psychological contract concept to become somewhat redundant vis-à-vis the concept of idiosyncratic deals (i.e., i-deals, Rousseau, 2005; Rousseau et al., 2006), which explicitly focusses on person-specific agreements based on individual bargaining and resource exchange. However, this is only partly the case because both constructs are conceptually distinct and actually complement each other. Hornung and Rousseau (2017) have argued, that, although psychological contracts and idiosyncratic deals share common features with regard to their content, dynamics, and evaluation by the focal individual, they can also be distinguished along these dimensions as subjective vs. objective, intra-individual vs. inter-personal, and based on perceived fairness vs. social justice. In other words, whereas the psychological contract determines how individuals define their relationship with the organization, i-deals refer to individualized agreed-upon changes in work and employment conditions, such as personalized work tasks, working hours, or training opportunities (Liao et al., 2016). Subjective beliefs regarding mutual obligations in the exchange relationship with the organization and objectively obtained personalized employment conditions are interrelated yet distinct phenomena. For instance, whereas psychological contract obligations can only be adequately studied based on the introspection of focal individuals, i-deals result in an individualization of employment conditions that can be observed and evaluated based on criteria of procedural and social justice (Ho & Tekleab, 2016).

The current chapter will sketch out the societal trends which explain the particular emphasis in psychological contract research and the shift towards i-deals, and subsequently map the main similarities and differences between the two concepts (Hornung & Rousseau, 2017). We will finish with a critical examination of both concepts in the light of societal trends, and discuss potential alternative conceptualizations of psychological contracts and i-deals on the basis of a dignity-paradigm (Bal, 2017).

The Rise of Psychological Contracts in Western Society

The psychological contract can be inherently perceived as a Western concept because its rise and popularity has primarily occurred in the US and Europe (Argyris, 1960; Thomas et al., 2010). Although the psychological contract has been investigated in non-Western contexts (Zhao et al., 2007), it should be noted that the concept has a different meanings depending on the local, cultural context of the term (Hornung & Rousseau, 2012; Schalk & Rousseau, 2000; Thomas et al., 2010). This is because the rise of the psychological contract cannot be perceived separately from the societal trends in which the rise has been embedded. To understand contemporary research and thinking around psychological contracts, it is needed to critically assess the roots of the concept, as well as the way it has been formed over time.

It is noteworthy, and often discussed, that the psychological contract was coined by Argyris (1960), although this feat is variously also credited to Levinson and colleagues (1962). Argyris (1960) introduced the psychological contract on the basis of his observations in a factory where he saw a relationship between workers and their foreman being developed characterized by trust and loyalty. An often overlooked aspect from Argyris' (1960) original conceptualization was that the foreman used to be one of the team members. Hence, the relationship identified as a psychological contract originated on the basis of mutual trust resulting from the notion of the foreman as a (former) team member, and therefore as 'one of us'. In that sense, the notion of a contract merely served to indicate the conceptual separation of the psychological contract from the legal contract. While the legal contract denoted the formal aspects of employment as exchanged with the organization, the psychological contract focused more strongly on the relationships emerging within a team, with their leader who was ultimately a representative of the team, albeit in between the team and the organization. Hence, it is not surprising that the original connotations of the psychological contract co-

aligned with notions of trust and loyalty. Moreover, the 1960s also represented the era of life-time employment (or the so-called ‘old’ psychological contract; Sims, 1994), where loyalty of employees toward their organizations was indeed rewarded with stable employment and gradual growth of the career and promotions through the organization. This era of a predominantly relational psychological contract of mutual loyalty and welfare, however, was rather short-lived.

The psychological contract was introduced to a broader audience of both scholars and practitioners through the work of Rousseau (1989, 1990, 1995, 2001), who re-conceptualized it in a specific way, which has influenced the understanding of the concept and subsequent scientific inquiry of its dynamics and relationships with other constructs. Most importantly, the concept was re-envisioned to denote the subjective perception of the relationship with “the organization” - anthropomorphized as a coherent and intentional “actor” or “exchange partner” (Guest, 1998). Rousseau (1995) has thus emphasized the individual nature of the psychological contract. Hence, two main changes occurred in relation to the original conceptualization of Argyris. First, the psychological contract was now referred to as an individual perspective rather than a shared understanding as postulated in the original work of Argyris (1960). Even though some attempts have been made to integrate a team perspective (e.g., Laulie & Tekleab, 2016), psychological contract research is still dominated by an individualistic approach, focusing on the subjective perceptions of the employee. Second, the psychological contract in Rousseau’s terminology is no longer refers to dynamics within a team and its supervisor (or foreman), but extends to the organization as a distal and abstract systems-level actor.

These two major shifts in the conceptualization of psychological contract can be better understood in the context of contemporary the societal trends; it is not surprising that the psychological contract as a scientific concept did not flourish until the 1990s. Until the

1980s, employment relationships could be better described as ‘social contracts’ emphasizing the shared nature in a collective system, where perceptions of mutual obligation were less of an individual matter, but more strongly based on hierarchical position, vocation or profession (Godard, 2014). In other words, a stronger focus on equal treatment on the basis of shared characteristics (e.g., being team members, or having the same job description or profession), was present than perhaps the term ‘psychological contract’ captured, with a potential implicit connotation of “psychological” as “individualized”. As sociology concerns the study of social systems, including social contracts and their collective implications, the shift towards psychological contracts constituted an implicit understanding of the employment relationship in individualistic terminology. This shift was made possible in the 1990s, in the wake of the first wave of neoliberal capitalism (Harvey, 2005). In the 1980s, the Western industrialized countries became dominated by neoliberal and essentially anti-social (“there is no such thing as society”) doctrine of Reaganomics and Thatcherism, elevating instrumentality and individualism to guiding principles and virtues of the new “economic catechism” of neoliberal market radicalism (Bal, 2017; Greene, 2008).

Neoliberalism and Psychological Contracts

While a comprehensive discussion of the impact of neoliberal capitalism on Organizational Behavior (OB) and Human Resource Management (HRM) is beyond the scope of this chapter (for a more elaborate discussion see Bal, 2015, 2017; Bal & Dóci, 2018; Delbridge & Keenoy, 2010), a number of points can be made in reference to how a societal discourse around neoliberal ideology has influenced the field of OB and HRM. Neoliberal capitalism emphasizes the transactional nature of society, and the human being as a rational utility-maximizer, who is primarily interested in the advancement of his/her own interests (Harvey, 2005). A tangible effect of neoliberal capitalism in the Western world has been the rise of the notion of instrumentality and individualism in society (Bal, 2017).

Instrumentality in Psychological Contracts

Instrumentality denotes the implied structure of relationships among people, as well as concerning the structuring of society in a broader sense. Instrumentality refers to the basis on which people communicate in contemporary society. A central feature of neoliberal capitalism is that social interactions and interpersonal relationships are progressively coopted by the ubiquitous instrumental logic of market transactions. Instead of being guided by tradition, shared values, common interests, solidarity or empathy, social interactions become more and more exclusively governed by the instrumental rationality of maximizing one's own advantages or utility in relation to (or at the expense of) the other party. Elevating self-interest to a virtue, in neoliberal ideology the guiding principle of social actions thus shifts from "what do we have in common?" to "what is in for me?". Extending this logic, the contemporary organization and the role of people in organizations can also be theorized instrumentally: organizations do not just exist for the sake of existing, but are vehicles towards profitability and shareholder value (Lazonick, 2014). This logic reduces the role of employees and people in organizations to mere instruments to achieve performance, and thus profit and shareholder value. Organizations therefore do not exist to provide a space where people have the opportunity to work, create something, establish meaningful connections with others and find meaning, but should be focused on cost reduction and higher productivity (Harvey, 2005). This forces organizations and managers to reduce employment costs, through for instance increasing the use of zero-hour contracts, and pressuring people in organizations to become more productive and show their value to organizational performance (or in other words, showing a business case to be employed). Instrumentality, in this sense, can be viewed as the direct antithesis to the humanistic principle that people are always an "end" in themselves, and should not be (mis-)used or subordinated as means or "tools" to

achieve objectives that are external (and possibly even detrimental) to their psychological development and well-being.

A similar shift can be observed in the conceptualization of psychological contracts since the 1960s and in today's theoretical and empirical work. While the original intended framework for studying psychological contracts focused primarily on the trust-based relationships within the organization among team members and their foreman, more contemporary uses of the psychological contract have largely ignored this. Instead, they have focused heavily on the transactional and instrumental relationship between employee and the anthropomorphized entity that is the organization. It is notable how, in the contemporary literature, the psychological contract is portrayed to primarily serve an *instrumental* purpose (Cullinane & Dundon, 2006). That is, while it could be envisioned to have intrinsic properties, and, thus, have value in itself (e.g., for the mental health of individual's and how they perceive their role in society), it is striking how the psychological contract as a construct is frequently instrumentalized by focusing predominantly on organizationally-relevant, performance-related outcomes. For instance, in the meta-analysis of Zhao and colleagues (2007) and Bal and colleagues (2008) breach of the psychological contract is linked to various employee emotions, attitudes and behaviors. In the structural equation model that the authors built, employee emotions and attitudes are postulated to mediate the relationships between breach of the psychological contract and work behaviors (i.e., work performance and OCBs). Therefore, these emotions and attitudes do not have an intrinsic value as such (e.g., breach leads to erosion of trust), but they have relevance as they may negatively impact performance-outcomes. In this way, the psychological contract becomes instrumentalized to serve the interests of the employer, and maintenance or fulfillment of the psychological contract has no true intrinsic value for employees as such, but merely as they relate to a smooth and efficient functioning of the organization, and therefore providing a way toward

profitability and economic value. Such an instrumentalization of concepts within OB and HRM is far from unique (Bal, 2017); it can often be observed how concepts are both implicitly and explicitly theorized to benefit organizations over employees. While it is not uncommon within OB and HRM to proclaim a unitarist view on employment relationships based on a “myth of goal congruence” (Greenwood & Van Buren III, 2017), there is also enough evidence that organizations and employees may have competing interests, such as profit vs. well-being (Van de Voorde et al., 2012).

Individualism in Psychological Contracts

A second impact of the dominance of neoliberal capitalism in Western society concerns the hegemonic belief in individualism (Greene, 2008; Oyserman et al., 2002). In individualistic societies people see themselves primarily as an individual rather than as part of a collective; they see themselves as independent from others, and believe that people should have freedom, individual choice, and strive toward self-actualization (Bal, 2017; Bauman, 2000). Moreover, individualism does not constitute a static state which describes a society during a particular period. Rather, what we can observe is a *process* of individualization, by which countries, not only in the Western world but globally, become more and more individualized. This entails a normative process whereby societal structures, discourses, and values become increasingly permeated and transformed by an ideology of individualism – as not just a tendency that exists, but as something that is inherently ‘good’ and without alternatives (e.g., Oyserman et al., 2002). According to this discourse, people should be individualistic, based on a societal value that prescribes that people are responsible for their own success and lives (Bal & Dóci, 2018). Individualism emphasizes that success in life is attributed to one’s own individual efforts (and not privilege or structural conditions in society that benefit some over others). Moreover, it also implies that those people who fail, can and should be blamed for that, as they carry individual responsibility to survive and cope

with or get out of their predicament, such as poverty, disability or simply being a member of a minority group in society (Bal, 2017). Essentially, this is what has been called the individualistic ideology of complete self-reliance (Greene, 2008).

In relation to the workplace, individualism has had enormous impact, through infiltrating (scientific) discourse around the role of people in the workplace, as well as through influencing topics of research, use and choice for theories relevant to explain human behavior in the workplace, and recommendations posed by researchers on the basis of their work (Bal & Dóci, 2018). This impact of individualism is also present in psychological contract research, and especially the move from the original conceptualization toward contemporary ones is indicative of an *individualistic* perspective on psychological contracts (Bal, 2017). A number of features within current, dominant, conceptualizations and research around psychological contract underpin this observation. First, psychological contracts are theorized and investigated as something exclusively between an individual employee and her/his organization. There is no or little consideration of the possibility that obligations within the psychological contract are inherently shaped by circumstances beyond the individual, and therefore likely to be shared among people in the same organization, industry or profession. There is very little empirical research available on those shared properties within the psychological contract. However, more importantly, there is a lack of theorizing of the notion that the psychological contract itself is more than just describing the individual relationship of an employee with the organization (Godard, 2014). In other words, there is a theoretical absence of the possibility that employees are embedded in social structures, and therefore are likely to develop shared expectations and experiences (for an exception see Chapter X by Vantilborgh in this book), which until recently would be captured by regulation and collective labor agreements. In the absence of such protective measures for workers, individualism has another large impact on workers.

A second impact of growing individualism concerns the implicit assumption of ‘equal power’ between the two parties involved in the psychological contract. As there is little research on the role of power in psychological contracts, it is generally assumed that employees have a similar power-position as ‘the other party’ (generally the organization). This position is further corroborated by an exclusive focus on employees who have relatively strong power-positions, such as consultants (Dawson, Karahanna, & Buchholtz, 2013). This portrays the psychological contract as a concept which is equally shared among employee and organization, and where there is little consideration of one party ‘enforcing’ contract terms upon the other party. For instance, the possibility of flexible working as part of the psychological contract is strongly influenced by the organization dictating the ‘rules of the game’ (Dick, 2006), and therefore, employees are by definition divided on the basis of their power relationships with their organization. Consultants, for instance, may have extensive social and human capital, and therefore, may be a more equal negotiation partner to an organization, than someone who has much less capital, such as those workers who belong to a vulnerable minority group (See also Chapter X by Tomprou and Bankins in this book). By assuming the two parties in the psychological contracting process to have equal power, the concept becomes ‘ideological’ (Bal & Dóci, 2018), which causes a one-sided focus on confirmation of the already-established dynamic of the psychological contract in the workplace. For instance, while reality cannot be ignored, and psychological contract breaches are regularly observed (Conway & Briner, 2002; Robinson & Rousseau, 1994), this is ‘resolved’ through a restoration of the balance between employee and organization by the employee her/himself (Tomprou et al., 2015). The employee may restore this balance through lowering effort (e.g., performing less well), or reducing loyalty and commitment to the organization. This way, the psychological contract remains intact, albeit in a reduced way compared to a previous state. What is neglected here is the possibility of a psychological

contract that is structurally unequal, and where contract terms are enforced onto the employee, while at the same time, holding the individual employee fully accountable for the maintenance of the contract itself (Hornung & Rousseau, 2012). In the absence of institutional supports (e.g., regulation, labor agreements, or a sense of duty; Bal, 2017), the individual employee is responsible for either retaining a ‘healthy’ psychological contract with the employer or, alternatively, totally abandoning the idea of employer obligations in favor of an ideology of employee self-reliance, which can serve as a protective mechanism against ongoing experiences of employer breach and violation (Edwards, Rust, McKinley, & Moon, 2003).

It is in this light that the move from psychological contract to idiosyncratic deals can be properly explained (Bal & Rousseau, 2015). This shift in the work of Rousseau did not merely indicate a change in personal interests, but there is a more meaningful connection to be established between the two constructs, which we will explore in more detail below.

From Psychological Contracts to Idiosyncratic Deals

While the 1990s can be described by the institutionalization of neoliberal capitalism across many Western societies (Harvey, 2005), the 2000s can be described by the full integration of the core underpinnings of neoliberal capitalism into society into something that is no longer debated but merely taken for granted (Bal & Dóci, 2018). In the same sense that “fish do not know about water”, the notions of instrumentality and individualism have become ubiquitous and axiomatic in social life. As a consequence, they are no longer discussed as external properties, which have infiltrated society and how people define the purpose of social interaction, but are internalized by people to the extent that anything in society can be explained on their basis (Bakan, 2004; Greene, 2008). For instance, organizations are postulated to solely serve their own interests and to focus on profitability no matter what (e.g., pollution and ecological disasters, such as Deepwater Horizon, but also

slavery, child labor, and abusive labor conditions, such as in the Apple-supplying Foxconn factories; Lucas, Kang & Li, 2013). This process has reached a point where organizations and wealthy entrepreneurs are not questioned on the basis of what they contribute to greater dignity in society (Bal, 2017). In contrast, organizations are expected to be self-interested, because that is fulfilling the purpose of the organization. In case the organization would not be self-interested, it is reasoned that the organization will go bankrupt and will not be able to survive in the global, competitive market. For individuals, the same holds, where one is expected to be instrumental, and where a deviation from being only self-interested is considered irresponsible or even “unethical” from a business perspective (Bakan, 2004).

A similar integration into the basic assumption of what it is to be a human being in the contemporary world concerns the above discussed emphasis on individualism. It was in the 2000s where this process unfolded, and where labor unions and collective agreements were attacked on the basis of not representing the needs of the modern workers (notwithstanding the validity of this claim), and the lack of flexibility to accommodate the diverse needs of individual workers (Bal, Van Kleef & Jansen, 2015). It is hence not surprising to observe how the psychological contract concept needed to be replaced with a more contemporary concept that would more accurately reflect changes in society. Two major elements within the psychological contract were missing that gave rise to the concept of idiosyncratic deals (Bal & Rousseau, 2015). First, while the implicit connotations of individualization were present within psychological contract conceptualizations, a shift towards a more explicit one fitted the early 2000s. An individual agreement between the employee and the organization (i.e., i-deals) resembled the increasing societal values placed upon the uniqueness of the individual human being (Oyserman et al., 2002). Moreover, a second lack in psychological contracts concerned the proactive nature of the contemporary workplace (Grant & Parker, 2009). With the individualization of society, people increasingly identified themselves as

individuals rather than part of a collective and people needed to act accordingly. If individual outcomes are prioritized, people may have stronger incentives to become individually proactive and negotiate for themselves (Rousseau, 2005).

A more explicit focus on the individualized nature of the workplace and the growing need for proactive negotiation gave rise to the concept of idiosyncratic deals (Rousseau et al., 2006). In her seminal book on i-deals, Rousseau (2005) presents many examples of successful, talented employees who understand the internal, political processes within organizations, are who are consequently able to successfully negotiate favorable job conditions with their employer.

I-deals have been defined by Rousseau (2005; Rousseau, Ho & Greenberg, 2006, p. 978), as “voluntary, personalized agreements of a nonstandard nature negotiated between individual employees and their employers regarding terms that benefit each party”. According to Rousseau and colleagues (2006), there are a number of features that define i-deals. First, i-deals are individually negotiated, and can be initiated by both employee and organization, even though typically i-deals are initiated by the employee (Rousseau, 2005). In contrast, when employment arrangements are collectively negotiated, they become part of an HR-system in an organization (or they are part of collective labor agreements or law), and become available to every employee. For instance, there is a body of research on flexible work arrangements, such as teleworking and flexible work schedules, which are implemented by organizations in order to facilitate employees with greater flexibility (Allen, Johnson, Kiburz, & Shockley, 2013; Baltes, Briggs, Huff, Wright, & Neuman, 1999). These types of HR-policies and practices typically grant equal rights to use a certain practice to specific groups of employees, thus including better protections against arbitrary treatment or violations of social justice than person-specific arrangement obtained through i-deals.

I-deals are also heterogeneous (Rousseau et al., 2006), such that arrangements are negotiated that differ from the work conditions that other employees have. As noted, i-deals create heterogeneity among workers within the same organization, and within the same work groups. Such increased heterogeneity among workers in similar positions may create perceptions of unfairness because some employees are likely to be more successful in negotiating i-deals than others. Inequality among workers in the same departments or units may create challenges for organizations and managers to ensure organizational fairness, both in the outcomes employees negotiate as well as the procedures used by the organizations to come to decisions regarding i-deals (Greenberg, Roberge, Ho, & Rousseau, 2004). Furthermore, i-deals should theoretically benefit both employee and organization. For employees, i-deals would fulfill the need for customized work arrangements that may facilitate motivation, productivity or well-being, while at the same time, i-deals would benefit employers because they may attract, retain or motivate valuable employees. Consequently, i-deals differ theoretically from favoritism, cronyism, nepotism and corruption, in that they should be grounded in principles of procedural justice, such as transparency, predictability, consideration, participation, and moral justification. In theory, i-deals derive their legitimacy from shared values, whereas preferential treatments lack such a basis. When an i-deal is negotiated between an employee and the organization, its legitimacy and fairness can be tested by making the arrangement transparent to obtain acceptance by coworkers (Lai, Rousseau, & Chang, 2009). Finally, i-deals vary in scope, such that some employees may negotiate a single idiosyncratic deal, such as the possibility to vary working times during the workweek, while others may have a fully idiosyncratic jobs. The relative proportion of idiosyncratic features of a job may vary to a large degree among workers (Rousseau et al., 2006).

Commonalities and Differences between Psychological Contracts and I-Deals

The present analysis of the contextual influences on the psychological contract and i-deals builds on previous work making comparison between the two concepts, most notably, Hornung and Rousseau (2017) and Rousseau and colleagues (2006). Yet, our analysis is broader and more focused on understanding the “sociology” of the respective developments in society, the economy, and academia. For instance, while a common distinction is made between psychological contracts and i-deals on the basis of subjectivity (i.e., psychological contracts exist in the eyes of the beholder vs. i-deals are supposed to be ‘real’ agreements), the more fundamental question here pertains to the relationship between both the concepts and ‘reality’. An often posed critique on i-deals research is that they are usually measured using employee perceptions of whether they have negotiated i-deals (Bal & Rousseau, 2015). As a consequence, measurement remains within the sphere of subjectivity, rather than trying to ‘objectivize’ negotiation and agreements. However, this critique neglects the more fundamental aspects underpinning the strength of psychological contract and i-deals, in that these concepts obtain their value *because* they are subjective, and exist within the minds of people. Moreover, i-deals differ from psychological contracts in that they are ‘objective’ agreements, part of their value lies in the eyes of the beholder, such as being personally appreciated or treated according to individual needs and preferences. In other words, i-deals embody the implicit assumption of the psychological contract that employees primarily self-identify as individuals and carry the responsibility to act upon this individuality through proactively serving their own interests. Therefore, i-deals have become the conceptualized version of the individualized psychological contract: i-deals no longer presume collectivity or communal interests and purpose in the workplace (whereas this was still possible within the psychological contract) but open up the way to formulate a workplace stripped off its collective purpose toward the possibility of a two-sided individualization process. On the one hand, this means that people using i-deals have the possibility to obtain work and working

conditions that suit their individual abilities and needs. Therefore, instead of having to rely on collective agreements which are ultimately designed around the average needs of the people rather than taking into account the diverse needs of individuals, people now can have fully accommodated working conditions. However, on the other hand, this also means that people are now responsible and accountable themselves because there is no protective framework that ensures that people have safe, stable, and secure work environments. These two pathways reflect different inherent qualities or potentialities of individualization in the sense of isolation and instrumentalization versus emancipation and individuation (Reedy, King, & Coupland, 2016).

I-deals have been conceptualized as *negotiated* yet voluntary and mutually beneficial agreements (Rousseau et al., 2006). As such, they are defined as a way of aligning employee and employer interests on the individual level. This more indirect and implicit tribute to the role of conflict and diverging interests in employment has to be viewed in the context of decades of research, showing that unfulfilled employer obligations and psychological contract breach and violation were confirmed to be the norm rather than the exception (Robinson & Rousseau, 1994). On the other hand, it can be argued that the construct puts too much responsibility and pressure on the individual to behave proactively and strategically to obtain a desired i-deal (Hornung, Rousseau, & Glaser, 2018). This negotiation does not take place at a collective level, but refers to employees negotiating with their supervisors or managers regarding personalized terms in work or employment conditions. The point that is missed here, both conceptually and empirically, concerns the role of power and structural conditions (Bal, 2017; Greenwood & Van Buren III, 2017); the possibility of negotiating i-deals is by implication dependent upon the power of an individual employee to request an i-deal. Employees without power to negotiate (e.g., because they have limited employment alternatives, or because they have a mortgage or pension to lose) will be less likely to even

start requesting i-deals in comparison to more powerful employees. Indeed, empirical results on i-deals have provided indication for such a so-called “Matthew effect”, where an imbalanced redistribution of resources results in cumulative advantages and relative deprivation for certain groups of employees (Bothner, Podolny, & Smith, 2011; Rigney, 2010; see also: Hornung et al., 2018). In fact, i-deals may be a prototypical new example for the “Matthew effect”, which has been coined by Merton to describe inequalities in academic research, but more broadly applies to all kinds of situations where structural conditions facilitate escalating imbalances according the biblical principle: “For to the one who has, more will be given, and he will have an abundance, but from the one who has not, even what he has will be taken away” (Matthew 25: 29).

Not surprisingly, rising *inequality* makes the cracks in post-industrial societies visible (Stiglitz, 2012). In an individualized society individuals are often held responsible for collective problems beyond their influence (Greene, 2008). Likewise, the individualized workplace lacks a protective framework of collective regulation and agreement, greater inequality manifests between those people with human and social capital who are able to obtain i-deals, and those who are not (Bal & Lub, 2015). At the workplace level, trends and dynamics such as described in this chapter are likely to further deepen inequality rather than to narrow it, despite the societal awareness of the problematic nature of rising inequality in society. As such, the concept of i-deals fits with dysfunctional tendencies of individualization, analyzed by Greene (2008) as societal ideologies of self-willed success and full self-reliance.

Another notable difference between psychological contract and i-deals concerns the evaluative nature of it; while psychological contract research has traditionally focused on evaluations of psychological contract (and in particular breach), one of the “blind spots” of research on i-deals seems to be that denied, unfulfilled or breached i-deals are rarely

considered (Ho & Tekleab, 2016; Hornung et al., 2018). While the psychological contract took into account the exploitative nature of the employment relationship and the breaches of the contract by the employer, i-deals are defined as a positive “ideal-type” with mutual benefits for both employee and organization (Rousseau et al., 2006). While potentially having some negative effects on coworkers due to envy (Ng, 2017), i-deals have been theorized to primarily function a positive role in the workplace, enhancing well-being, performance and motivation all at the same time (Liao, Wayne, & Rousseau, 2016). The absence of ‘breach of i-deals’ also has implications for the study of i-deals itself: with no conceptual counterpart of a positive definition of i-deals, the concept is ‘doomed’ to remain within the sphere of cognitive dissonance and self-fulfilling prophecies. In other words, the perception of the employee that she/he has received individual consideration from the organization is enough to sustain motivation in the job and trust in the organization. The employee thereby disavows perceptions of unfulfilled employer obligations or psychological contract breach, attributing them, for example, to own unrealistic expectations. Further, employees may reduce their own cognitive dissonance by adopting an ideology of self-reliance and reframing irresponsible employer behavior as an inevitable response to market pressures. Thus, reasoning that the organization acts rational in displaying only an instrumental interest in its workers, the employee remains trustful that individualization occurs in their own best interest. In this context, a belief in having successfully negotiated an i-deal remains indicative of the trust in the system, through which the system itself is legitimized and maintained. In theory, i-deals cannot be broken, as they are defined only in terms of their positive connotation and meaning. Therefore, the absence of truly existing i-deals is resolved through a belief in that one, now or in the future, may receive special individualized arrangements. As a consequence, i-deals fulfill an important role which was missed by the study of psychological contracts, and that is to create a concept without a negative counterpart (such as a breach

constituted for the psychological contract). It thereby helps to create a space where individualization is not only taken for granted, but also can (only) be seen as a positive phenomenon, ranging from no or little i-deals to fully idiosyncratically designed jobs. What is missed here, is the sense of collectivity, shared meaning, self-reliance, rising inequality etc., which may either be missed or neglected from the literature and thinking around these topics. In sum, it is our great concern that the concept of i-deals may promote a role of employees which less resembles the active subject “speaking truth to power” and bargaining on his or her own behalf, but comes closer to the “isolated individual”, competing with their peers for a personalized upgrade of otherwise increasingly impoverished work and employment conditions, stripped of their collective meaning as targets of workers solidarity to achieve shared improvements.

A Way Forward: Emphasizing Dignity and Individuation

While psychological contracts and i-deals can be explained historically and in relation to dominant societal trends that have given rise to the popularity of the concepts, future research and practice of both terms ought to take into account these conceptual histories. As Hornung and Rousseau (2017) concluded, both terms are fundamental aspects to the contemporary employment relationship, and dictate either the perceptions of the relationships with the organization and the employer, or the individualized arrangements that characterize contemporary work and jobs. However, we also need to move beyond the limited perspectives that abound in both literatures, in which both concepts are dominated by instrumental and individualistic underpinnings. To overcome these essentially neoliberal capitalist ideologies (Bal & Dóci, 2018), we propose that more pluralist approaches towards psychological contracts and i-deals may enrich the literatures on both concepts and their conceptual integration. More specifically, one important rationale underlying research is the unitarist assumption or the “myth of goal congruence” (Greenwood & Van Buren III, 2017),

which posits that employees and employer share similar interests, that power differences can be neglected, and that through the right forms of coordination and work organization, the needs, interests, and goals of both sides can be met simultaneously. While this may be the case in some situations, it is, in fact, not a generalizable aspect of organizational life.

Therefore, we advocate for a more pluralist approach in studying contemporary workplaces, including the states and dynamics of psychological contracts and i-deals. This entails the conceptual integration of other frameworks into the two concepts, thereby enriching potential insights into how psychological contracts and i-deals may operate in the contemporary workplace.

One such an alternative framework is that of workplace dignity (Bal, 2017; Bal & De Jong, 2017). A dignity-paradigm forms an alternative to the instrumental logic of neoliberal capitalism and postulates the inherent, intrinsic value of the workplace, and thus the position of individuals within organizations and the workplace. In line with the Kantian argument that people should never be treated as means towards an end, but always as ends in themselves, a dignity-paradigm argues that at the workplace, people (and in extension any material or immaterial object) cannot be merely treated as a means. One of the fundamental problems within OB and HRM concerns the assumption that instrumentality and individualism ‘determine’ the functioning of the workplace, and thus, that ultimately everything in the workplace (including people and resources) only have an extrinsic value to create organizational profitability, which in itself is merely instrumental in order to sustain the neoliberal capitalist system (Bal, 2017; Žižek, 2011). However, this logic reduces the human being to a mere instrument in the organization, without the fundamental respect for the dignity of the individual human being.

A dignity-paradigm offers the possibility to reformulate some of the basic assumptions underlying psychological contract and i-deals research. In particular, an

assumption of the dignity of the individual human being in the workplace indicates that psychological contracts cannot be merely enforced upon or dictated to employees, but that each individual ought to be involved into the process of psychological contracting. When work in itself and the employee conducting the work are not merely instrumental, but also have their intrinsic worth, the psychological contract can become a powerful concept to capture the intrinsic meaning of work, not just for the individual, but also for the wider community, including coworkers and all those who are related to the functioning of organizations (e.g., buyers, suppliers, surrounding communities, government etc.). A similar translation can be made from a dignity perspective to i-deals; when i-deals are initiated and negotiated with the purpose of creating greater dignity in the workplace in mind, new questions arise that take into account not only whether an i-deal is ‘fair’ in comparison to others, but also the wider distribution of resources within the organization, and the treatment of workers within organizations. Embedding psychological contracts and i-deals into a normative framework of human dignity and personality development at work poses a way to moderate or balance the potential divisive and isolationist tendencies of individualization inherent in both concepts in favor of a more humanistic perspective emphasizing emancipation from limiting conditions and individuation in the sense of personal growth and self-actualization (Reedy et al., 2016). This approach may allow research and practice to take into account the negative aspects of individualization, while retaining the value of individuality (Bal, 2017); in a dignity-paradigm, people are not merely confronted with the need to be self-reliant, but in a more collective way, attention can be devoted to how people’s individual identities can be respected and promoted at work.

Conclusion

In sum, this chapter has laid out the process of how psychological contracts were ‘replaced’ by idiosyncratic deals in the literature through incorporating main societal trends

that have influenced the rise of both concepts. We also discussed the main similarities and differences, on the basis of two main underlying assumptions: instrumentality and individualism. While a dignity perspective (Bal, 2017) may provide an alternative framework to study both concepts, future research may further disentangle the relationships between the two concepts, as well as how the future of both psychological contract theory and i-deals theory may be developed.

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