

Idiosyncratic deals and psychological contract fulfilment for older workers: the mediating role of entitlement and obligation

By

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ABSTRACT

This research addresses a paradox in the idiosyncratic deal literature. Despite an overwhelmingly positive orientation towards idiosyncratic deals, mixed results also abound, with certain studies showing no effect between idiosyncratic deals and outcomes. This has raised concern amongst scholars about the appropriateness of the dominant social exchange theoretical lens through which idiosyncratic deals have been studied. To address this concern, the researcher developed a conceptual model in which the mediating effect of obligation and entitlement on the relationship between idiosyncratic deals and psychological contract fulfilment could be examined.

Then, in line with activity theory and disengagement theory, the quality of the exchange relationship was examined as an alternate mechanism through which idiosyncratic deals exert their influence on psychological contract fulfilment for older workers. The research was embedded within a social science context and the researcher followed a deductive strategy of enquiry. A cross-sectional survey-based design was followed, and a purposive sampling technique was used to gather data on subjects 50 years of age and older in South Africa. A key strength of this research was the structural model used to test the main and indirect effects that included mediation, moderation and mediated moderation.

The findings make an original contribution by showing a strong relationship between idiosyncratic deals, as a second order construct and psychological contract fulfilment, mediated through a high-quality exchange relationship and not through obligation as posited by the social exchange paradigm. Also, the findings of this research indicate a statistically significantly positive influence of entitlement on obligation that may serve as a possible explanation for the lack of a mediating effect for obligation on the relationship between idiosyncratic deals and psychological contract fulfilment.

This research contributes to the literature on idiosyncratic deals and older workers by answering the call for greater attention devoted to theory building and affirms the importance of the quality of the employment relationship for older workers. At a practical level, the findings contribute to better managing of older workers in a rapidly transforming workforce, characterised by an increasing migration towards employment relationships that are based on short term, economic exchange principles. The findings will also guide organisations employing older workers by affirming the importance of the quality of the exchange relationship as the mechanism through which idiosyncratic deals exert their influence on outcomes.

Keywords: idiosyncratic deals, entitlement, obligation, psychological contracts, psychological contract fulfilment, older workers.

DECLARATION

I, Gordon von Sichart declare that the thesis, which I hereby submit for the degree Doctor of Philosophy at the University of Pretoria, is my own work and has not previously been submitted by me for a degree at this or any other tertiary institution.

I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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IDIOSYNCRATIC DEALS AND PSYCHOLOGICAL CONTRACT FULFILMENT FOR OLDER WORKERS: THE MEDIATING ROLE OF ENTITLEMENT AND OBLIGATION

1 INTRODUCTION

This chapter presents a background to the thesis by providing a contextual overview and introduces the problem statement, the purpose statement and outlines the objectives of the research. It also describes seven research objectives to highlight the importance and benefits of the research to the literature on idiosyncratic deals and older workers. The definitions that delineate the research within the greater human resources field are also made explicit in this chapter.

1.1 BACKGROUND

This research on older workers is situated in the field of human resource study and examines the mechanism through which idiosyncratic deals exert their influence on outcomes. The challenges brought about by an ageing workforce is one of the most pressing human resource issues to arise during the last decade (Kooij, De Lange, Janssen & Dijkers, 2008). Populations are ageing, and the proportion of older workers is growing rapidly in countries worldwide and it is estimated that by 2050, half of the increase in the world population will be due to a rise in the 60 years and over group (United Nations, 2013).

Increased life expectancy coupled with less physically demanding work has meant that older workers are extending their working life, in some instances, beyond the traditional retirement age. However, at a macro level data also shows a rapidly declining labour force participation rate for older workers, which has been described as one of the most remarkable trends in the labour market (Groot & Maassen van den Brink, 1999). The impact of increased life expectancy coupled with a declining labour

force participation rate has significant implications for policy makers, organisations and individuals (Wang & Schultz, 2010)

In response to this challenge, organisations have implemented human resource practises designed to specifically retain and motivate older workers to remain in the workforce. Older workers require policies and practises that take into account their special needs and that may promote a culture of delayed exit from the organisation (Schalk, Van Veldhoven, De Lange, De Witte & Kraus, 2010). This positive approach to older workers has given rise to a rapid increase in individualised work arrangements, known as idiosyncratic deals (Rousseau, Ho & Greenberg, 2006). Idiosyncratic deals have been found to positively motivate employees to work beyond retirement (Bal, De Jong, Jansen, & Bakker, 2012).

Idiosyncratic deals are heterogenous agreements made between an employee and their employer regarding their employment arrangement (Rousseau et al., 2006). Examples of idiosyncratic deals are; customised duties, individualised career opportunities, variable work hours, variable workload (Hornung, Rousseau & Glaser, 2009). In their work, Rousseau et al. (2006) differentiated idiosyncratic deals from other arrangements such as favouritism or cronyism by introducing four defining features of idiosyncratic deals namely, (1) they are individually bargained for, (2) they lead to within group differences in employment conditions, (3) they are intended to benefit both parties and (4) they differ in terms of scope.

There is a principally positive bias towards idiosyncratic deals in the literature and they have been shown to positively influence constructive voice behaviour (Ng & Feldman, 2015), employee attitudes (Vidyarathi, Chaudhry, Anand & Liden, 2014) and organisational citizenship behaviour (Anand, Vidyarathi, Liden & Rousseau, 2010). However, many studies have also shown mixed results, with some studies showing no effect between idiosyncratic deals and outcomes. This has led some authors to suggest caution be applied when interpreting results and calls made for a closer examination of the construct and its relationship with outcomes (Vidyarathi et al., 2014). Recently, a suggestion has been made for greater attention to be placed on theory building (Liao, Wayne & Rousseau, 2016).

Social exchange theory (Blau, 1964) underpinned by norm of reciprocity (Gouldner, 1960) are the two dominant theoretical lenses through which idiosyncratic deals have been studied. The key proposition of the social exchange viewpoint is the “voluntary actions of individuals that are motivated by the returns they are expected to bring and typically do in fact bring from others” (Blau, 1964, pg.91). Norm of reciprocity is closely aligned with the social exchange perspective and suggests that when one party makes a move to enhance the quality of the relationship, the other will be inclined to reciprocate positively (Ng & Feldman, 2015) with recipients feeling obligated to those having granted their idiosyncratic deal (Anand et al., 2010).

A criticism of using a social exchange theoretical framework to explain idiosyncratic deals is that it represents the organisational perspective by focusing on the expectation of reciprocity from individuals for granting them idiosyncratic deals (Vidyarathi et al., 2014). As a result, studies have largely ignored the mechanism through which their effect occurs at an individual level. For example, little is known about why employee performance improves in response to idiosyncratic deals (Ng & Feldman, 2015). An exception to this framework was a study by Liu, Lee, Hui, Kwan and Wu (2013) that sought to measure the self enhancement effect of idiosyncratic deals by showing an incremental effect over and above the social exchange effect.

This raises the question of whether the unidimensional framework of social exchange theory underpinned by norm of reciprocity is too broad a framework to effectively explain the complex mechanism through which their effect occurs? In sum, idiosyncratic deals may not always result in reciprocity (Liao et al., 2016). The challenge for researchers is to identify the reason for a lack of reciprocity. In the 1961 address by President John F Kennedy he uttered the now famous exhortation, “*Ask not what your country can do for you; ask what you can do for your country*”. A call for citizens to focus on their obligations over their entitlements. The former refers to feelings of what is owed to society and the latter to feelings of what is deserving of society (Brummel & Parker, 2015).

In this research, the mediating effect of obligation and entitlement on the relationship between idiosyncratic deals and psychological contract fulfilment is examined. The theoretical argument is made for the influence of entitlement on obligation as an explanation for the mixed results in the idiosyncratic deals literature. Then, in line with activity theory and disengagement theory, the quality of the exchange relationship is postulated as an important alternative mechanism through which idiosyncratic deals exert their influence on outcomes. Importantly, research is also yet to determine whether the granting of idiosyncratic deals leads to psychological contract fulfilment for older workers. Attention will now be given to the importance and relevance of the South African labour market context in which this research on older workers was set.

1.2 THE SOUTH AFRICAN CONTEXT

In developed countries, the issue of an ageing population is particularly acute (Armstrong-Stassen, 2008). However, the problem is not only confined to developed countries and has resulted in the call for further research to be conducted in the context of older workers in emerging economies (Tempest & Coupland, 2016). South Africa is an emerging economy. It has been identified as having one of the most rapidly ageing populations in Sub Saharan Africa (Population Reference Bureau, 2014). Notably, existing research on idiosyncratic deals and older workers has been conducted in the developed United States and European market settings (Hornung, Rousseau & Glaser, 2008; Lai, Rousseau & Chang, 2009) and not in South Africa.

Following democracy in 1994, the South African government has implemented a myriad of new legislation and policies aimed at dismantling the effects of apartheid. The most impactful of which, the Employment Equity act of 1998, was designed to create a more inclusive labour market by addressing unequal access to employment created by the racially segmented labour market of the past (Flowerday, Rankin & Schoer, 2016). Apartheid disadvantaged the majority by disrupting the labour market, whilst legislation post 1994 has sought to address this imbalance by empowering the majority (Thomas & Jain, 2004).

Older workers in this contextual setting are particularly challenged. As beneficiaries of the past, they are now the least advantaged of all the race groups. However, they are also likely to have valuable skills and knowledge that organisations in South Africa need. South Africa is challenged with a dual imperative, to transform the workforce while also enhancing its competitiveness globally (Horwitz, 2013). At a deeper level, older workers in South Africa are typically white and younger workers are typically black and as such this context adds a unique and fascinating dimension to the study of idiosyncratic deals especially with respect to the psychological dynamic of the individual older worker.

The influence of entitlement on obligation is deemed to be especially relevant in the context of older workers in South Africa. This is due to a paradoxical set of circumstances. Older workers in South Africa are severely compromised by current labour regulations, and as a result are also likely to feel elevated feelings of entitlement or a sense of being owed by society. However, at the same time they also play a key role in transitioning to a more inclusive labour market and that is likely to lead to feelings of obligation or a sense of owing to society. In Europe, progressive labour regulations are aimed at retention of older workers. Conversely, in South Africa many have been forced to take early retirement and exit the workforce (Horwitz, 2013). This has resulted in a significant increase in individualised work arrangements for older workers.

We know from literature that idiosyncratic deals have tremendous potential to shape employee attitudes and behaviours (Hornung et al., 2008) and that they are a crucial organisational intervention that can be used to extend the working life of older workers (Bal et al., 2012). What remains unknown is whether idiosyncratic deals influence psychological contract fulfilment for older workers? We also know from literature that idiosyncratic deals involve costly organisational accommodations (Rousseau et al., 2006) and they make the organisation vulnerable to questions of fairness from co-workers and other organisational stakeholders (Lai et al., 2009). They therefore need to be effective and the problem is that idiosyncratic deal research is replete with mixed results.

This research answers the call for greater attention devoted to theory building (Liao et al., 2016) and provides a close examination of the idiosyncratic deal construct and its relationship with outcomes by focusing on the psychological dynamics of the individual receiving the deal. This was achieved by testing the mediating effect of obligation and entitlement as well as exploring the importance of the quality of the exchange relationship to bridge idiosyncratic deals with psychological contract fulfilment. The contribution of this research is that the counter intuitive findings in the literature between idiosyncratic deals and outcomes may be explained in part by the influence of entitlement on obligation.

1.3 PROBLEM STATEMENT

The challenges brought about by an ageing workforce is one of the most pressing issues facing human resource management in the last decade (Kooij, De Lange, Jansen, Kanfer & Dijkers, 2011). In response, organisations have implemented practises designed to retain and motivate older workers. This has given rise to a rapid increase in individualised work arrangements, known as idiosyncratic deals (Rousseau et al., 2006).

However, despite a positive bias towards idiosyncratic deals in the literature, studies have also shown mixed or contrasting results (Bal et al., 2012; Rosen et al., 2013). Social exchange theory, underpinned by norm of reciprocity is the dominant theoretical lens used to study idiosyncratic deals but may be too broad a theoretical framework to fully explain the complex mechanism linking idiosyncratic deals with outcomes (Liu et al., 2013).

In addition, an emphasis on the inducement-exchange relationship inherent in the social exchange perspective largely represents the employer view and fails to consider the psychological dynamics of the employee when they receive idiosyncratic deals. And as such, little is known about why employees respond to idiosyncratic deals (Ng & Feldman, 2015).

Furthermore, previous idiosyncratic deals studies have been conducted in countries with an ageing demographic, a declining younger population and a progressive labour regulatory framework aimed at the retention of older workers. The converse is true of the South African labour market and we know little about the effectiveness of idiosyncratic deals in this context.

Finally, we know that idiosyncratic deals are associated with individual level employee outcomes such proactive work behaviours (Liu et al., 2013) and increased work motivation (Bal et al., 2012) however, research is yet to determine whether the granting of idiosyncratic deals leads to psychological contract fulfilment for older workers. Also, mutual benefit is a defining feature of idiosyncratic deals, but is one that is yet to be explicitly tested (Liao et al., 2016).

1.4 PURPOSE STATEMENT

Firstly, the primary purpose of this research was to conduct a quantitative study, on older workers set within the South African emerging market context, to examine whether the outcomes of idiosyncratic deals could be expanded beyond existing, simplistic, attitudinal and behavioural variables by determining if there is a relationship between idiosyncratic deals and psychological contract fulfilment.

Secondly, it examines the prevailing social exchange and norm of reciprocity theoretical lens by directly testing the mediating effect of obligation and entitlement. The influence of entitlement on obligation is offered as a possible explanation for the mixed results in the idiosyncratic deals literature. In addition, the purpose of the research was to test two moderating effects on this relationship, namely reward for a past contribution and an inducement for a future return.

And finally, it tested the mediating effect of the quality of the exchange relationship on the relationship between idiosyncratic deals and psychological contract fulfilment to examine whether idiosyncratic deals could exert their influence on psychological contract fulfilment in a low-quality exchange relationship or whether this effect required a high-quality exchange relationship in order to work.

1.5 RESEARCH OBJECTIVES

The background outlined in section 1.1 of this thesis clearly demonstrates the gap in the literature. The following objectives were developed to address this gap.

Research objective 1: Determine whether there is a relationship between idiosyncratic deals and psychological contract fulfilment.

Research objective 2: Determine if obligation explains the relationship between idiosyncratic deals and psychological contract fulfilment.

Research objective 3: Determine if entitlement explains the relationship between idiosyncratic deals and psychological contract fulfilment.

Research objectives 4: Determine if reward and inducement perceptions strengthen the mediators of idiosyncratic deals and psychological contract fulfilment.

Research objective 5: Determine whether entitlement has an influence on obligation.

Research objective 6: Determine if idiosyncratic deals work through low quality exchange relationships.

Research objective 7: Determine if idiosyncratic deals work through high quality exchange relationships.

1.6 SCOPE AND DEFINITIONS

The research examines the effectiveness of individualised work arrangements for older workers by focusing on the individual older worker as a unit of analysis. Younger workers below 50 years of age at the time of the research were therefore excluded. As a researcher, I am interested in exploring the theoretical mechanism that bridges idiosyncratic deals and psychological contract fulfilment at an individual older worker level specifically, and therefore no data was collected at the manager/supervisor or organisational level.

This orientation does not diminish the important role played by other parties in idiosyncratic deals research. Previous research by Lai, Rousseau and Chang (2009) has considered the co-workers as third parties and Hornung et al. (2009) have studied idiosyncratic deals from a managerial perspective. The scope of this research was therefore limited to the individual level. Primary data was collected at the individual older worker level spanning various jobs and sectors in South Africa. A cross-sectional, self-administered survey-based design was used to measure the relationship between the selected constructs.

Idiosyncratic deals: refer to individually negotiated deals between an employee and the organisation, the content of which are heterogeneous and benefit both parties (Miner, 1987; Rousseau et al., 2006). Idiosyncratic deals fall within the definition of an individualised work arrangement (Liu et al., 2013). Examples of idiosyncratic deals are customised duties, individualised career opportunities, variable work hours and variable workload (Hornung et al., 2009).

In order to accurately reflect the types of idiosyncratic deals negotiated across various employment settings, the four-dimensional scale developed by Rosen, Slater, Chang and Johnson (2013) was used for the research, namely, task and work responsibilities, schedule flexibility, location flexibility and financial incentives. However, an important contribution of this research was the validation of idiosyncratic deals as a second order construct comprising of four dimensions and the subsequent testing of this validated, second order construct in the conceptual model.

Importantly, idiosyncratic deals are distinct from psychological contracts in that the latter reflects the employee's subjective beliefs regarding their employers promises (Zhao, Glibkowski, Wayne & Bravo, 2007) whereas idiosyncratic are structural and not perceptual as they represent objective, actual work conditions negotiated by the employee with their employer with the goal of enhancing the employment arrangement (Anand et al., 2010). Therefore, psychological contracts and idiosyncratic deals are related but distinct constructs (Liao et al., 2016)

Entitlement: refers to an excessive self-regard linked to a belief in the automatic right to privileged treatment at work (Westerlaken, Jordan & Ramsay, 2017). Entitlement in the workplace has been linked to negative outcomes and a lack of reciprocity towards the organisation. Entitlement refers to the degree to which people believe they deserve the time, resources and consideration of society (Brummel & Parker, 2015). Entitlement refers to the deserving of positive outcomes (Feather, 2003).

Obligation: refers to the degree to which people believe they owe the time, consideration and resources to society (Brummel & Parker, 2015). Obligation therefore deviates from self-interest and aligns more closely with prosocial behaviours and concern for the welfare and rights of others (Brummel & Parker, 2015). Obligation is used in this research to represent the inducement-exchange view, described in the literature as the reciprocating response expected from the employee after having been granted idiosyncratic deals.

Relational psychological contracts: The literature defines psychological contracts as the individual beliefs about what employees owe their employers and what their employers owe them in return (Rousseau, 1989). They are predicated upon a unilateral, predetermined belief that contributions made by the individual will result in a reciprocity by the organisation. Relational psychological contracts exist when an employee considers their obligations broadly and openly, with a long-term orientation and described in mutually satisfying exchange terms (Robinson & Rousseau, 1994).

Contractual psychological contracts: A psychological contract based mainly on economic terms (Rousseau, 1995), with employees interpreting their obligations

strictly and their employment relationship is considered in short, purely economic terms (Robinson & Rousseau, 1994).

Psychological contract fulfilment: Employee perception of the extent to which their employer has kept their promises (Rousseau, 1995; Conway & Coyle-Shapiro, 2012). Fulfilment is considered as the opposite end of the continuum to breach with some studies considering breach and fulfilment as the same except for the direction of the sign. (Zhao et al., 2007). Unlike idiosyncratic deals, psychological contract fulfilment is clearly perceptual in nature.

Older workers: The definition of an older worker is subjective and difficult to define (Peeters & van Emmerik, 2008). There are various conceptualisations of age in the literature, such as chronological, functional, psychosocial (Schalk et al., 2010). Chronological age remains the most widely used (Peeters & Emmerik, 2008) and was well suited to this research. Studies on idiosyncratic deals and older workers used 45 years of age and older (Oostrom, Pennings & Bal, 2016) and a recent study on older workers also used 45 years of age and older (Kraak, Russo & Jimenez, 2018). The consensus on older worker research favours 50 years of age and older as an acceptable definition of what constitutes an older worker.

1.7 CONTRIBUTIONS OF THIS RESEARCH

This research contributes to the literature on idiosyncratic deals and older workers by firstly validating idiosyncratic deals as a second order construct consisting of four dimensions namely, task and work responsibilities, schedule flexibility, location flexibility and financial incentives. This is the first research on idiosyncratic deals to provide validation of idiosyncratic deals as a second order construct and to then use that second order construct as part of the research design. Studies on idiosyncratic deals have only used a single type of idiosyncratic deal or in some instances a limited number of idiosyncratic deal types. The merits of considering idiosyncratic deals as a single general concept is well supported in a recent meta-analysis of idiosyncratic deals research by Liao et al. (2016).

The second contribution of this research is that idiosyncratic deals were shown to positively influence psychological contract fulfilment for older workers. This is an important finding for two reasons. The first is that it answers the call in the literature for outcomes that extend beyond employee attitudinal and behavioural outcomes to include arguably the most important indicator of the quality of the employment relationship (Coyle-Shapiro & Kessler, 2000). The second contribution affects one of the defining characteristics of idiosyncratic deals, namely that they are mutually beneficial (Rousseau et al., 2006). To date no study has demonstrated the mutual benefit of idiosyncratic deals to both employer and employee.

The third contribution of this research is the theoretical mechanism through which idiosyncratic deals exert their influence on outcomes. The results suggest that it is the quality of the exchange relationship, defined by a relational psychological contract that explains the mechanism through which the effect of idiosyncratic deals occurs, and not through a sense of obligation to reciprocate as suggested by the norm of reciprocity (Gouldner, 1960). Furthermore, the research shows that in addition to feelings of obligation, older workers also exhibit feelings of entitlement, which has a direct positive influence on obligation, and this may explain the sometimes counter intuitive and ambiguous findings in the idiosyncratic deal literature (Vidyarthi et al., 2014).

Finally, the research contributes to idiosyncratic deals literature by testing the influence of whether the recipient of idiosyncratic deals feels they were granted idiosyncratic deals as a reward for a past contribution or as an inducement for a future return to the organisation. The moderating effect of reward versus inducement is tested on the relationship between idiosyncratic deals and obligation and as well as the relationship between idiosyncratic deals and entitlement. At the practical level, literature shows that a great amount of ambiguity surrounds the granting of idiosyncratic deals and the findings of this research will guide organisations employing older workers by answering the question of whether it is important to explicitly explain the reason for granting idiosyncratic deals.

Existing literature has shown that idiosyncratic deals are a crucial organisational intervention that can be used to extend the working life of older workers (Bal et al., 2012), and that they also have tremendous potential to shape employee attitudes and behaviours (Hornung et al., 2008). But, at the same time, they also involve costly organisational accommodations (Rousseau, 2006) and make the organisation vulnerable to questions of fairness from co-workers and other organisational stakeholders (Lai et al., 2009). Therefore, a clear understanding of the mechanism through which their effects occur has important implications for future studies of idiosyncratic deals.

On a contextual level, the retention of older workers is of utmost importance in South Africa given the significant skills shortage in the country, coupled with the tension created by an apartheid past and the subsequent labour regulations designed to create a more inclusive labour market. Despite being marginalised by labour regulations such as the Employment Equity Act of 1998, they play a key part in successful transformation of the workforce if they are willing to remain actively employed (Horwitz, 2013). The importance of idiosyncratic deals as a way of retaining older workers in the South Africa workforce should not be underestimated.

1.8 STRUCTURE OF THE THESIS

The document will begin with a review of current literature and follows a thematical approach to lay the foundation for the importance of older workers before introducing the value of positioning the research within the nuanced South African context that is uniquely structured to add value to the chosen research topic. The eight hypotheses tested in the research are introduced in the sections on psychological contract fulfilment, obligation, entitlement, contractual psychological contracts and relational psychological contracts. In chapter three, I describe the research design, methodology and provide a justification for the choice of a cross sectional, survey-based design for the research. I also consider the benefits and limitations of this approach in the next section.

1.9 INTRODUCTION CLOSING

In summary, the research contributes to the limited body of literature on older workers, a segment of the workforce that has received limited attention in the past but that forms an important part of the workforce for the future (Mcgonagle, Fisher, Barnes-Farrell & Grosch, 2015). The research answers the call for “more studies in different settings to determine their role in shaping employment relationships and changing organisations” (Hornung et al., 2008; pg. 757). The research also addresses the gap in the idiosyncratic deals literature that seeks to explore the topic of why employees respond to receiving idiosyncratic deals (Ng & Feldman, 2015) by focusing on individual differences. A detailed explanation of the theoretical, methodological and practical contribution can be found in section 6 of the thesis.

2 LITERATURE REVIEW

2.1 INTRODUCTION

This chapter begins by providing the foundation for the research, by outlining the importance of older workers to the present and future economy. The human resource challenge of a rapidly ageing workforce facing developed and developing countries will be discussed at length. This chapter also outlines the contextual contribution of using South Africa as a research setting for idiosyncratic deals. The chapter will then migrate to an in-depth discussion of idiosyncratic deals, the dimensions making up the second order construct as well as an overview of literature on older workers and idiosyncratic deals. A stage by stage development of the literature will then be conducted in order to introduce each of the hypotheses that were tested in the research.

The principle theoretical argument emanating from this chapter is that the literature shows that outcomes of idiosyncratic deals are mixed. I make the argument for the importance of the psychological dynamics of the individual receiving an idiosyncratic deal as a possible explanation for these results. This is done by exploring the mediating effect of entitlement and obligation as important individual level factors. The significance of psychological contract fulfilment as a mutually beneficial outcome of idiosyncratic deals will also become evident in this chapter. This chapter will also provide the theoretical foundation for arguing the importance of the quality of the exchange relationship for older workers as explanatory constructs for how idiosyncratic deals exert their influence on psychological contract fulfilment.

The eight hypotheses that were tested in the research will be introduced in each of the respective sections and culminate in the conceptual framework for the research that is presented on page 52 of this chapter. The literature in this chapter was identified by conducting a systematic review of current literature using various electronic databases.

2.2 OLDER WORKERS

Various definitions and conceptualisations of age exist in the literature. These include chronological age, functional age, psychosocial age, organisational age and life span factors (Schalk et al., 2010). Age has also been defined according to biological, psychological and social functioning factors (Sterns & Miklos, 1995). However, the most widespread person-based measure of age in research is chronological age (Peeters & van Emmerik, 2008). Whilst there is no consensus in the literature on what constitutes an older worker, authors such as (Sterns & Miklos, 1995) have used 55 years and older, whilst other authors have used 50 years of age and older (Armstrong-Stassen & Ursel, 2009).

The precise cut off age that defines an older worker is less important than the alarming decline of the labour force participation of this segment of the population, described as one of the most remarkable employment trends (Groot & Maassen van den Brink, 1999). A declining labour force participation rate is particularly concerning, given that across Europe the median age of the population is projected to rise to 52 years of age by 2050 and by 2030 more than twice as many over 65-year-old people will live in developing countries than in developed (Tempest & Coupland, 2016). The structural changes of an ageing workforce, coupled with an increasingly globalised career context pose significant challenges to organisations and individuals seeking to navigate this landscape (Tempest & Coupland, 2016).

The impact of an aging workforce has been described as the biggest challenge facing employers today (Sterns & Miklos, 1995). A paper by Schalk et al. (2010) highlighted the importance of enabling older workers to remain employed. A call also echoed by Post, Schneer, Reitman and Ogilvie (2012) who made the compelling argument for career research aimed at late career employees and not just early and mid-career stages. The problem is also not confined to developed countries and has resulted in the call for further research to be conducted in the context of older workers in emerging economies (Tempest & Coupland, 2016). This is especially important as the significance of older workers is likely to increase with their prevalence in emerging economies (Bal, Kleef & Jansen, 2015).

Research on this segment of the workforce has highlighted the many positive organisational outcomes of older worker human capital such as loyalty, decreased turnover, retention of institutional knowledge and productivity (Peeters & van Emmerik, 2008). At a team level, Gellert and Kuipers (2008) found a positive effect for average age on both short term and long-term consequences. The call has been made to shift our focus away from the threats of an ageing world population to one of opportunities (Peeters & van Emmerik, 2008). There are two dominant theoretical orientations in the ageing literature, namely activity theory and disengagement theory (Charles & Carstensen, 2010). The former proposes that older workers remain active and engaged whilst the later adopts the view of withdrawal and separation.

Notwithstanding their positive contribution older workers are also subject to significant challenges such as discriminatory recruitment or early retirement practices (Taylor & Walker, 1998). This has caused many older workers to exit the workforce. However, research has shown that when human resource policies and practices are tailored to older workers specifically, they have been found to be positively correlated with perceived organisational support and older workers intentions to remain with the organisation (Armstrong-Stassen & Ursel, 2009). Organisations are therefore able to influence whether individuals remain with the organisation and can consequently prevent an early exit of older workers from the workforce.

However, the challenge for researchers is to identify which practises will result in older worker willingness to remain with the organisation (Armstrong-Stassen & Ursel, 2009). The concept of motivating older workers to work beyond retirement through the granting of idiosyncratic deals was the focus of a paper by Bal et al. (2012) who argued that individualisation of the working relationship between individual and organisation are particularly important for older workers. Their research was set within a developed market context and they found that organisation climate was seen to moderate the relationship between idiosyncratic deals and older workers' willingness to work past retirement age. In line with significant global growth of older populations, developing markets are also not immune to the threat.

It is noteworthy that South Africa has been identified as having one of the most rapidly ageing populations in Sub Saharan Africa (Population Reference Bureau, 2014). The retention of older workers is of utmost importance in South Africa given the significant skills shortage in the country, coupled with the tension created by an apartheid past and the subsequent labour regulations designed to create a more inclusive labour market. They play a key part in successful transformation of the workforce if they are willing to remain actively employed.

The stark reality however is that many skilled older workers are encouraged to exit the workforce early because of external labour regulations (Horwitz, 2013). Those that are still working are reminded of the challenging labour market context in which they operate. So, unlike the context of previous studies on older workers and idiosyncratic deals, South Africa represents a nuanced and challenging labour market context for older workers that is well suited to the research design and will be discussed at length in the subsequent section.

2.3 THE SOUTH AFRICAN CONTEXT

South Africa is an economy shaped by apartheid, meaning separateness in Afrikaans. Introduced in 1948 and later renounced in 1990 (Clarke & Worger, 2016), apartheid has influenced every facet of life for South Africans, including where people lived, where they went to school and where they worked. Through apartheid policy the National Party government enacted a programme of targeted legislation to enforce racial segregation across the country, such as The Group Areas Act of 1950, The Population Registration Act of 1950, The Reservation of Amenities Act of 1953 and the Bantu Homelands Citizens Act of 1970 (Duncan, Stevens & Canham, 2014).

International criticism for apartheid policies and laws eventually saw the United Nations condemning apartheid in 1966 (Clarke & Worger, 2016). However, it was only in the 1980's that the world's attention remained fixed on South Africa, a country that was rapidly moving towards a civil war as black opponents of apartheid fought the oppressive regime of white rule over blacks.

Then in 1990, less than five years after the outbreak of civil war, the National Party renounced apartheid and promised equality for all races in South Africa. Shortly thereafter, South Africa saw the inauguration of their first black president, Nelson Mandela in 1994 (Clarke & Worger, 2016). Following democracy in 1994, the South African government has implemented a myriad of new legislation and policies, aimed at dismantling the effects of apartheid and creating a free and equal society for all.

The post-apartheid period is characterised as focusing on individual rights within the workplace (Lee & Mohamed, 2006). A radical period of transformation of the labour market followed under the banner of the Reconstruction and Development Programme. A key objective of this period was ensuring that previously disadvantaged groups were now able to participate in the economy in the form of company ownership and share capital and most importantly, in employment. The five main acts that were introduced were the Labour relations act of 1995, The Basic Conditions of Employment Act of 1997, The Employment Equity Act of 1998, The Skills Development Act of 1998 and Skills Development Levies Act of 1999.

The most impactful of which may be the Employment Equity Act of 1998 which was designed to create a more inclusive labour market by addressing unequal access to employment created by the racially segmented labour market of the past (Flowerday, Rankin & Schoer, 2016). South Africa has a dual imperative, emerging market challenge. As a country, it is plagued with a high unemployment rate, an abundance of unskilled labour and a scarcity of lack of skilled labour (Horwitz, 2013). However, most pressing macro challenge is achieving transformation in the workforce, whilst keeping up with an increasingly competitive global market context. The call has been made to identify ways to attract, retain and motivate human capital in this transitional context with older, skilled workers playing an important part (Horwitz, 2013).

Older workers in South Africa are faced with the challenge of an increasingly unattractive employment context. The labour force participation of the 55 to 64-year age group in South Africa is only approximately 1,381,000 or a meagre 9% of the labour force.

This segment only grew by 1% between 2015 and 2016 (Statistics South Africa, 2016). The number of economically inactive in the 55 to 64 - year old age group is estimated at 1,931,000 with a significant portion of older workers classified as being unemployed. In fact, unemployment in the 55 to 64- year old group grew by an alarming 12.3% between 2015 and 2016 (Statistics South Africa, 2016).

Because of the history of apartheid policies, older workers in South Africa are divided very clearly along racial lines. Most older workers of colour in South Africa were excluded from education and career opportunities (Roos & Wheeler, 2016), with most white older workers benefiting from both education and career opportunities prior to 1994. However, older white workers now face the challenges of an increasingly marginalised and challenging employment environment due to legislation that has set out to correct the imbalance in the labour market created by apartheid.

We know from the work of Wöcke and Sutherland (2008) that employment equity legislation has markedly impacted the psychological contract for the three main employment groups in South Africa in different ways and instead of reducing racial differences it has served to reinforce these identities. The drive towards transformation, post 2004 has resulted in a significant number of older skilled and experienced workers exiting the workforce at or near retirement age (Horwitz, 2013). However, as they have skills and experience, many have been asked to return at a later stage. Contrastingly, other organisations perhaps reliant on their skills, have negotiated for their older workers to extend their working life post retirement.

Common across both examples is the need for individualised work arrangements to cater for the specific needs of older workers. Idiosyncratic deals are categorised as individualised work arrangements and form a crucial organisational intervention through which organisations can motivate older workers to extend their working life (Bal et al., 2012). However, idiosyncratic deals research has only been done in a developed market context such as Europe and the United States. The effectiveness of idiosyncratic deals in the context of an emerging, transforming labour market described above is unknown.

2.4 IDIOSYNCRATIC DEALS

Idiosyncratic deals are special or unique deals of a nonstandard nature, that are voluntarily negotiated between employees and employers with terms that are described as being mutually beneficial to each party and differ to some extent from an employee's co-workers (Miner, 1987; Rousseau et al., 2006). Idiosyncratic deals are by definition individualised work arrangements (Liu et al., 2013) or special terms of employment of a nonstandard nature, negotiated between employees and employers, with terms benefiting both parties (Rousseau et al., 2006).

In addition, they can be negotiated *ex ante* (prior to employment) or *ex post* (once in employment) and vary in scope from a single deal to a fully idiosyncratic role, created for a specific individual (Miner, 1987). Heterogeneity and individual negotiation are principle defining characteristics of idiosyncratic deals (Rosen et al., 2013; Rousseau et al., 2006). They are distinct from collectively negotiated work arrangements such as flexible work as these arrangements become part of the standard human resource policies and are therefore no longer idiosyncratic (Rousseau et al., 2006). Idiosyncratic deals are legitimised through the public notification and co-workers acceptance of the deal (Lai et al., 2009).

The granting of idiosyncratic deals is not without cost or risk to the organisation. Negative side effects of idiosyncratic deals have been reported such as the feeling of unfair distribution of idiosyncratic deals by co-workers (Lai et al., 2009) or the negative impact of social comparison on within-group dynamics (Ho, 2005). Idiosyncratic deals may therefore create the perception of winners and losers or the privileged and the marginalised. This may be particularly evident with developmental idiosyncratic deals as they impact directly on self enhancement. Idiosyncratic deals granted to individuals high on individualism have been shown to have a greater impact compared to individuals who are low on individualism (Liu, et al., 2013).

Recipients of idiosyncratic deals are often star performers or highly valued employees that the organisation wants to recruit or retain (Huo, Luo & Tam, 2014) and signal organisational interest in employees and thereby increase organisational commitment

(Ng & Feldman, 2010). However, idiosyncratic deals may also be granted to individuals who may have a special need otherwise not met by traditional human resource policies and procedures. Older workers may fall into one or both categories. The link between idiosyncratic deals and willingness to extend working life has been established by Bal et al. (2012) and will be discussed in the section under idiosyncratic deals and older workers.

2.4.1 Idiosyncratic Deals and Older Workers

Existing research on idiosyncratic deals and older workers is limited. This is interesting, given the established positive association between age and increased heterogeneity (Bal & Kooij, 2011). As people age, so do their heterogenous needs. Therefore, the likelihood of an employee being satisfied with standardised human resource policies and practices decreases with age. Or put differently, the importance of idiosyncratic deals therefore increases with age. The value that older workers place on idiosyncratic deals should not be underestimated by employers and two recent research papers support this view.

The first showed idiosyncratic deals contribute to employee motivation to continue working beyond retirement (Bal et al., 2012). This was the first research to consider the reasons for older worker willingness to extend their working life. To date, other studies on older workers have focused on the reasons for wanting to retire. The study found a positive effect for flexibility idiosyncratic deals and willingness to work beyond retirement. However, only the effect for developmental idiosyncratic deals was moderated by organisational unit climate. The results of the study confirm the importance of idiosyncratic deals but also highlight the importance of context when assessing the effectiveness of idiosyncratic deals for older workers.

The second research paper showed that idiosyncratic deals relate to older worker employability, mediated by future time perspectives and self-efficacy (Oostrom et al., 2016). The findings support the utility of idiosyncratic deals for older workers but also suggest that idiosyncratic deals contribute to employability of older workers as they expand the opportunities for skills development and develop stronger social networks

(Oostrom et al., 2016). The results of this study showed a direct positive effect for location and task and work responsibility idiosyncratic deals but non-statistically significant effects for schedule and financial idiosyncratic deals and employability of older workers.

Both studies have contributed significantly to idiosyncratic deals for older worker literature by affirming the importance of idiosyncratic deals for older workers but also by emphasising the importance of contextual factors such as a supporting organisational climate. However, in the first study, the authors only tested two of the types of idiosyncratic deals developed by Rosen et al. (2013). In the second study, the authors tested each of the four types separately. Idiosyncratic deals can also be construed as single theoretical concept, with the contents representing various dimensions of idiosyncratic deals (Lai et al., 2016). The merits of treating Idiosyncratic deals as a second order construct will be discussed in the subsequent section.

2.4.2 Idiosyncratic Deals as a Second Order Construct

Idiosyncratic deals research garnered greater credibility through the work of (Rosen et al., 2013) who expanded idiosyncratic deals from the three dimensions outlined by (Rousseau et al., 2006) to four dimensions, namely schedule flexibility, location flexibility, task and work responsibility and financial incentives and also developed one of the few validated instruments used to measure idiosyncratic deals. Their 16 item measure of idiosyncratic deals has been used in numerous studies. In a recent meta-analysis of idiosyncratic deals research (Liao et al., 2016), the authors attest to the advantages of this scale over previous scales as the authors followed conventional scale development process that included content and criterion related validity. However, they also stress that a limitation of the scale is that neither convergent or discriminant validity was tested.

Existing research on idiosyncratic deals has seemed to favour measuring only one or two types of idiosyncratic deals. For example, the study by Gerrero, Bentein and Lapalme, (2014) used development ideals only. The study by Hornung et al. (2008) used flexibility and developmental items only. The study by Bal et al. (2012) and Liu

et al. (2013) also only used developmental and flexibility idiosyncratic deals. Only flexibility idiosyncratic deals were used in the study by Vidyarthi et al. (2014). Notwithstanding this, each of these studies provided theoretical arguments for their selection and the use of a single type or limited types of idiosyncratic deals was well suited to answering their research question.

This view is supported by Liao et al. (2016) who argue that the appropriateness of examining idiosyncratic deals as distinct variables or as a single theoretical concept depends on the nature of the research question being answered. This orientation of idiosyncratic deals is also in line with the notion of an aggregate multidimensional construct made up of specific content dimensions (Edwards, 2001), that may or may not necessarily correlate with each other (Liao et al., 2016). Importantly, employees may receive one type of idiosyncratic deal and not another and the negotiation of one type of idiosyncratic deal may take place independently of another.

The rationale for examining idiosyncratic deals as a single theoretical concept in this research is two-fold. Firstly, it is aligned with the research objective of determining whether there is a relationship between idiosyncratic deals and psychological contract fulfilment. Secondly, this research attempts to explain the paradox of mixed results in the idiosyncratic deals literature that may not be explained by social exchange theory. It was therefore important to capture the full range of type and content of idiosyncratic deals across various jobs and sectors. Therefore, a view of idiosyncratic deals as a single general concept was deemed to be the most appropriate approach to take in order to elucidate the mechanism linking idiosyncratic deals with outcomes.

A macro orientation in support of idiosyncratic deals as second order construct concerns parsimony or Occam's razor, in which simpler solutions are often more accurate than complex ones. And so whilst, the majority of studies of idiosyncratic deals have favoured the use of one type of idiosyncratic deal or in some instances two types, the view taken in this research is that idiosyncratic deals as second order construct is more likely to capture the underlying mechanism through which their effect occurs more accurately than considering each type of idiosyncratic deal independently.

An important contribution of this research is the validation of idiosyncratic deals as a second order construct with four dimensions, the process of which is discussed in chapter 3 of the thesis. The second contribution of this research is to then use the validated second order construct as part of the structural model to provide a theoretical mechanism connecting idiosyncratic deals with psychological contract fulfilment. It is evident that idiosyncratic deals are important for older workers, however whether they lead to psychological contract fulfilment is the focus of the next section in the literature review and will also introduce the first hypothesis tested in the research.

2.5 PSYCHOLOGICAL CONTRACT FULFILMENT

The psychological contract refers to the individual's beliefs about the resources they owe, and the resources owed to them in return for their work, by the organisation (Rousseau, 1989). Beliefs or employee interpretation of implicit and explicit promises form the foundation of the psychological contract and as such a great deal of subjectivity also lies at the heart of the psychological contract (Zhao et al., 2007) but it remains an important framework through which to understand employment relationships (Shore et al., 2004). The promissory expectations in the psychological contract are "only those expectations that emanate from the perceived implicit or explicit promises by the employer" (Robinson, 1996, pg.575).

Psychological contract fulfilment has been described as the opposite end of the continuum to breach, where breach is the cognitive conclusion that the organisation has failed to fulfil its promises. (Zhao et al., 2007). Psychological contract fulfilment in contrast, is a state in which employees perceive the promises made by the employer as having been fulfilled. Research has shown that employees will respond with reduced contributions if they sense that their employer is not meeting their promises (Conway & Shapiro, 2012). In a meta-analysis of psychological contract breach research by Zhao et al. (2007) the authors used 51 studies on psychological contract breach and fulfilment to assess the effect of breach on outcomes. Studies on psychological contract fulfilment were included with the results reverse scored to describe the effect of breach, a common practice in psychological contract research (Zhao et al., 2007).

The meta – analysis showed a statistically significant correlation for breach with mistrust towards management, positively related to feelings of violation and mistrust, negatively correlated with job satisfaction and organisational commitment and positively related to turnover intentions. Breach was also found to be negatively correlated with organisational citizenship behaviour and in role performance. If breach and fulfilment are used interchangeably except for the sign (Zhao et al., 2007) then the results of the research show how important psychological contract fulfilment is to both employee and employer.

In fact, an organisation's fulfilment of its promises is a precondition to a high-quality exchange relationship between the organisation and its employees (Coyle-Shapiro & Kessler, 2000). Employers should therefore strive to fulfil their promises and seek ways to preserve their employees in a state of psychological contract fulfilment. The notion of mutual benefit is key in this regard, with employers benefitting from a labour force that feels that the employer has met their promises and the employee benefitting from an enhanced employment relationship with their employer. Most research on psychological contract fulfilment has focussed on the outcomes or consequences of psychological contract fulfilment (Karagonlar, Eisenberger & Aselage, 2015).

An exception was a study by Akhtar, Bal and Long (2016) that used psychological contract fulfilment as a mediating variable to link change and exit, voice, loyalty and neglect. Given the significance of psychological contract fulfilment, it is important to understand the forces shaping individual perceptions of fulfilment (Ho, 2005). Little research exists that seeks to identify factors that lead to psychological contract fulfilment. Literature on idiosyncratic deals has shown positive individual level outcomes, such as organisational citizenship behaviour (Anand et al., 2010), job satisfaction (Rosen et al., 2013), commitment (Hornung, Rousseau, Weigl, Mueller, & Glaser, 2014) and they have been shown to positively impact work design and outcomes (Hornung et al., 2014). Idiosyncratic deals for older workers have been linked to increased motivation to work beyond retirement (Bal et al., 2012) and the employability of older workers (Bal et al., 2015).

Considering the afore mentioned, it is evident that idiosyncratic deals contribute positively to outcomes. However, many of the outcomes of idiosyncratic deals research are individual attitudinal and behavioural outcomes. The question of whether the granting of idiosyncratic deals leads to psychological contract fulfilment has not yet been answered in the literature. Given the importance of heterogeneity of older workers, the researcher expects that the granting of idiosyncratic deals will lead to psychological contract fulfilment for the recipient. This orientation led to the first hypothesis tested in the research.

H₁: Idiosyncratic deals positively influence psychological contract fulfilment

2.5.1 Mutual Benefit

The positive influence of idiosyncratic deals on psychological contract fulfilment is an important contribution to idiosyncratic deals research because, idiosyncratic deals have distinct features that distinguish them from other person specific arrangements such as cronyism or favouritism, namely that they are individually negotiated, heterogenous, they benefit both parties and that they vary in scope (Rousseau et al., 2006). Therefore, there are four defining features of idiosyncratic deals.

However, no research on idiosyncratic deals has explicitly tested whether idiosyncratic deals are in fact mutually beneficial (Liao et al., 2016). Given the value placed on psychological contract fulfilment for the employee and the employer, a positive influence of idiosyncratic deals on psychological contract fulfilment may assist with affirming a key defining characteristic of the construct, that of mutual benefit. Attention in this chapter will now be paid to examining the mechanism through which idiosyncratic deals exert their influence on psychological contract fulfilment by firstly examining the predominant theoretical lens used in idiosyncratic deals research and then secondly to offer an explanation for the mixed or contrasting results in the literature.

2.6 IDIOSYNCRATIC DEALS THEORY

Social exchange theory (Blau, 1964) and norm of reciprocity (Gouldner, 1960) has often been used to explain why idiosyncratic deals work. The key proposition for the relationship between idiosyncratic deals and outcomes is that when an employee is granted idiosyncratic deals they will feel obligated to reciprocate with contributions to the organisation (Anand et al., 2010). Despite an overwhelmingly positive bias in the literature towards idiosyncratic deals, studies have also shown varied and mixed responses to idiosyncratic deals.

Research by Bal et al. (2012) for example, showed positive effects only when subject to contextual factors. Using flexibility and developmental idiosyncratic deals to assess older worker motivation to continue working, they found the positive effect of developmental deals was contingent upon context (favourable unit climate). Contrastingly, a study by Hornung et al. (2008) failed to find support for the effect of organisational factors influencing flexibility and developmental idiosyncratic deals. Also, a study by Rosen et al. (2013) showed a positive effect for idiosyncratic deals but contingent upon the type of idiosyncratic deal, with some idiosyncratic deals showing no relationship with outcomes at all. Importantly, research has also failed to demonstrate a link between idiosyncratic deals and individual performance (Liu et al., 2013). Certain ambiguous and counter intuitive findings may even spell caution for idiosyncratic deals and its relationship with employee outcomes and suggest a complex relationship between idiosyncratic deals and employee responses (Vidyarathi et al., 2014).

A central tenet of social exchange theory (Blau, 1964) and norm of reciprocity (Gouldner, 1960) is that individuals tend toward reciprocating contributions and favours towards partners even when not required to do so (Blau, 1964). Employees granted idiosyncratic deals will feel obligated to reciprocate through work attitudes and behaviours (Liao et al., 2014). However, it is important to consider that, whilst contribution is voluntary, and reciprocation is expected, it is not enforceable (Rosen et al., 2013). In their meta-analysis of idiosyncratic deals, Liao et al. (2016) make the point that idiosyncratic deals may not always generate reciprocity.

A recent study by Liu et al. (2013) builds on this orientation by suggesting that in addition to a social exchange mechanism, idiosyncratic deals also exert their influence on outcomes via a self enhancement mechanism. Although, they only measured developmental and flexibility idiosyncratic deals, their research highlighted the importance of individual differences in explaining the effect of idiosyncratic deals on outcomes. They also make the point that idiosyncratic deals encompass information that indicates the quality of the employee-employer exchange relationship.

Attention will now be given to the mechanism through which idiosyncratic deals exert their influence on outcomes by emphasising the importance of the psychological dynamics of the older worker receiving idiosyncratic deals. This will be done by introducing the constructs of obligation and entitlement to examine the individual level mechanism through which idiosyncratic deals exert their influence on psychological contract fulfilment.

2.7 OBLIGATION

Obligation is described as the individual belief in the owing of time, resources and consideration to society (Brummel & Parker, 2015). Obligation is most closely aligned with prosocial behaviour or the desire to benefit other people (Grant, 2008), and falls within a class of variables that deviates from self-interest (Brummel & Parker, 2015). Higher levels of obligation are more likely associated with met expectations than low levels of obligation. By granting idiosyncratic deals, an employer anticipates that the employee will respond in a favourable way with contributions to the organisation (Liu et al., 2013).

Older workers have been shown to seek environments in which they are able to play out prosocial motives (Vantilborgh, Bidee, Pepermans & Willems, 2013). This view is supported by the theory of generativity (McAdams, de St Aubin & Logan, 1993) that proposes that as people age, they realise that they have less time left and as such they are motivated to engage in more prosocial activities. This view is supported by the findings of a meta-analysis study by Kooij et al. (2010) on age and work-related

motives, who found that the motivation to help others and to contribute to society increases with age.

Social exchange theory (Blau, 1964) and specifically norm of reciprocity (Gouldner, 1960) suggests that the granting of idiosyncratic deals creates an obligation to reciprocate through work attitudes and behaviours that will benefit the organisation (Liao et al., 2016). Using the above theoretical lens would suggest that obligation will mediate the relationship between idiosyncratic deals and psychological contract fulfilment. This orientation led to the development of the second hypothesis, namely;

H₂: Obligation mediates the relationship between idiosyncratic deals and psychological contract fulfilment.

We know from the work of Rousseau et al. (2006) that idiosyncratic deals are individually negotiated and authorised by a supervisor. However, research to date has not considered the importance of individual perceptions for the reason they were granted idiosyncratic deals by their employer. Attention will now be given to the moderating effect of an inducement for a future return to the organisation on the relationship between idiosyncratic deals and obligation.

2.7.1 Inducement for a Future Return

When older workers perceive that they are valued by their organisation, they respond by ongoing participation in the organisation. Employees are more committed in relationships where employers show a long-term commitment (Tsui, Pearce, Porter & Tripoli, 1997). This effect is especially important when considering how vulnerable older workers are to redundancy or involuntary retirement (Tempest & Coupland, 2016). This view considers the ongoing participation of the individual in the employment agreement and, as such, considers idiosyncratic deals based on an inducement for a future participation in the employment relationship.

Human resource initiatives that reflect an investment in older workers signals to the employee that their organisation seeks an ongoing long term relationship with them (Armstrong-Stassen, 2009).

In addition, in the South African context older workers are especially vulnerable due to labour regulations designed to create a more inclusive labour market at their expense. Therefore, the moderating effect is expected to be especially pertinent. The importance of obligation or prosocial behaviour on the part of older workers in South Africa is important because they have skills and experience. And as such, they are still expected to play role in the transformation of the workforce by training and passing on their knowledge (Horwitz, 2013) provided they are willing to do so.

According to social exchange theory, relationships thrive when the recipients of favourable treatment believe that the motivation stems from a benevolent, as opposed to a self-interest based motive (Karagonlar et al., 2016). Therefore, if individual older worker's perceptions are that idiosyncratic deals have been granted as an inducement for a future return to the organisation, it is likely to signal support and commitment to the individual and in so doing increase the level of obligation felt by the individual receiving idiosyncratic deals. This leads to the third hypotheses tested in the research.

H₃: Idiosyncratic deals predicated on an inducement for a future return moderates the mediating effect of obligation (H₂) on the relationship between idiosyncratic deals and psychological contract fulfilment, such that the mediating effect of obligation is stronger.

Although, we know from the literature that reciprocity is regarded as a social norm (Gouldner, 1960), not all people conform to this social norm to the same extent. In addition, people are most likely to reciprocate when they believe that reciprocating is the correct and appropriate action with some people being more likely to endorse this norm and others less likely to do so (Cropanzo & Mitchell, 2005). Therefore, obligation may only represent one element of the psychological dynamics of the employee in response to being granted idiosyncratic deals.

Consideration will now be given to entitlement as a construct to explain the influence of idiosyncratic deals on psychological contract fulfilment. Although recipients of idiosyncratic deals may feel a sense of obligation (owing), they may also feel a sense of entitlement (deserving). Attention will also be given to the influence of entitlement on obligation. This view may provide an insight into individual differences that would otherwise be hidden when using norm of reciprocity (Gouldner, 1960) as the theoretical lens to explain the effect of idiosyncratic deals on outcomes.

2.8 ENTITLEMENT

Entitlement has a noteworthy history in social science fields such as philosophy, political science and law. A common dimension that has been treated similarly across fields is that entitlement refers to “what an individual feels they deserve” (Nauman, Minsky & Sturman, 2002, pg. 149). In support of this orientation, Campbell, Bonacci, Shelton, Exline and Bushman (2004) argued for the conceptualisation of “psychological entitlement” or the stable and pervasive sense of deserving more and being entitled to more than others and developed the psychological entitlement scale to differentiate psychological entitlement from narcissism.

In contrast, authors, such as Brummel and Parker (2015) approached entitlement as a more general construct, not always related to relative deservingness, but as an individual belief that they are deserving of society. The importance of entitlement in the management sciences is especially evident when considering that entitlement perceptions impact employee expectations and therefore also the nature of the exchange relationship between employees and employers (Naumann, Minsky & Sturman, 2002). Harvey and Dasborough (2015) support this view by stressing the importance of workplace entitlement for modern organisations and managers.

This viewpoint is also emphasised by Fisk (2010) who describes excessive entitlement as a pervasive social issue with significant implications for human resource management. Of significance in social science research is that excessive entitlement may result in individuals expecting a disproportionate amount in kind than would be expected based on their objective contributions and show a greater tolerance for over

reward than under reward (Fisk, 2010). In addition, higher levels of entitlement show a stronger association with unmet expectations than low levels of entitlement (Naumann et al., 2002).

Surprisingly, there is limited research examining the role of entitlement in explaining the relationship between idiosyncratic deals and outcomes. This is noteworthy given that research has linked entitlement to reduced organisational citizenship behaviour (Hochwarter, Meurs, Perrewe, Royle & Matherly, 2007) and lower job satisfaction (Laird, Harvey & Lancaster, 2015). In addition, work-place entitlement has significant implications for organisations, with high associated costs (Westerlaken et al., 2017).

An exception was the research by Vidyarthi et al. (2014) who argue for the importance of individual level biases that engender a sense of entitlement to idiosyncratic deals. In their research they cite the 'better than average' effect (Guenther & Alicke, 2010) to support the argument for why certain employees may expect better treatment than their peers due to perceptions that they make above average contributions to the organisation. Importantly, entitlement beliefs are not governed by the norm of reciprocity (Gouldner, 1960) due to beliefs that reciprocity is not required in response to receiving an idiosyncratic deal (Vidyarthi et al., 2014). Consideration of the role of entitlement in explaining the outcomes of idiosyncratic deals at an individual older worker level leads to the fourth hypothesis tested in the research.

H₄: Entitlement mediates the relationship between idiosyncratic deals and psychological contract fulfilment.

We know from the work of Rosen et al. (2013) that the majority of their study sample had negotiated and been granted at least one element of their employment package that suited their individual needs. However, research to date has not considered the importance of individual perceptions for the reason they were granted idiosyncratic deals by their employer. Attention will now be given to the moderating effect of a reward for a past contribution to the organisation on the relationship between idiosyncratic deals and entitlement.

2.8.1 Reward for a Past Contribution

The results of the research by Vidyarthi et al. (2014) confirms the importance of a convergence of employer and employee expectations when negotiating idiosyncratic deals. They make explicit the need for clear communication of employee desires on the one hand and what the employer expects in return for granting idiosyncratic deals on the other hand. In the absence of clear communication regarding mutual expectations it is unlikely that idiosyncratic deals will deliver the intended outcome. Therefore, an understanding of individual perceptions of what they are entitled to is critical in understanding the exchange between employee and employer (Naumann et al., 2002).

Beliefs regarding what one is entitled to range from a basic human or societal right in the legal sense to the capitalistic view of entitlement, whereby one is entitled to that which one earns (Naumann et al., 2002). The basis is therefore on entitlement stemming from contributions already made. Fisk (2010) argues that entitlement to an outcome is deemed to be legitimate because of an appropriate input. A theme in entitlement literature is inflated self-perceptions in driving entitlement perceptions (Harvey & Dasborough, 2015).

This viewpoint of entitlement is particularly relevant in the context of entitlement and idiosyncratic deals for older workers given their tenure and contributions made over their entire career. Also, according to social exchange theory, relationships thrive when the recipients of favourable treatment believe that the motivation stems from a benevolent , as opposed to a self-interest based motive (Karagonlar et al., 2016) If individual perceptions are that idiosyncratic deals have been granted as a reward for a past contribution to the organisation, it is likely to increase the level of entitlement. This leads to the fifth hypotheses tested in the research.

H₅: Idiosyncratic deals predicated on a reward for a past contribution moderates the mediating effect of entitlement (H₄) on the relationship between idiosyncratic deals and psychological contract fulfilment such that the mediating effect of entitlement is stronger.

The employee's response to being granted idiosyncratic deals may also be affected by entitlement directly. Feelings of what is deserving may directly influence feelings of what is owing. This viewpoint is shared by Harvey and Martinko (2009) who argue that entitlement diminishes cognitive processes and activates self-serving tendencies in individuals. Therefore, entitlement may limit or even negate the obligation effect at an individual level and may explain the mixed results in the idiosyncratic deals literature. This orientation will be discussed in the subsequent section.

2.8.2 The Influence of Entitlement on Obligation

In his 1961 address, President John F Kennedy uttered the now famous exhortation, *"Ask not what your country can do for you; ask what you can do for your country"*. A call for citizens to focus on their obligations over their entitlements. The former refers to feelings of what is owed to society and the latter to feelings of what is deserving of society (Brummel & Parker, 2015).

The above statement is important in the context of this research because people need to be encouraged to show prosocial behaviour, because it is assumed that people are naturally drawn towards feelings of self-interest (Miller, 1999). However, with effort or attention, individuals can put aside their natural selfish desires and place greater emphasis on the interests of the group or society. Older workers are described in the literature as both actively involved with assisting of other people whilst at the same time also advocating their own self-interest (Hogan & Roberts, 2004). Older workers are therefore likely to exhibit feelings of both entitlement and obligation.

Therefore, entitlement may influence obligation with individuals who have been granted idiosyncratic deals, vacillating between feelings of what they owe (obligation) and feelings of what they are owed (entitlement). This is significant, given that entitlement has been shown to have an adverse effect on work outcomes such as job satisfaction, turnover intent and conflict with supervisors (Harvey & Martinko, 2009), whereas obligation has been linked to prosocial personality (Brummel & Parker, 2015).

Individual tendencies towards entitlement and obligation are likely to have both good and bad consequences (Brummel & Parker, 2015). The influence of entitlement on obligation is expected to be especially strong for older workers in South Africa with elevated levels of entitlement due to labour regulations that have disadvantaged older workers positively influencing obligation brought about by the generativity effect described above. It is therefore likely that the influence of entitlement on obligation may result in a stalemate situation or a state of inactivity in which the older workers response to receiving idiosyncratic deals results in no effect at all. The direct influence of entitlement on obligation is the basis for the sixth hypothesis tested in the research.

H₆: Entitlement has a direct positive influence on obligation.

2.9 QUALITY OF THE EXCHANGE RELATIONSHIP

Having considered the psychological dynamics of the individual receiving idiosyncratic deals, attention will now be given to the importance of the quality of the employment relationship as a mechanism through which idiosyncratic deals exert their influence on psychological contract fulfilment. Research by Anand et al. (2010) concluded by emphasising that the way employees respond to idiosyncratic deals is partly a function of their workplace relationships. This view is supported by Liu et al. (2013) who make the point that idiosyncratic deals encompass information that shows the strength and quality of the employer-employee relationship and they represent an important exchange relationship.

Psychological contracts are critical to developing an understanding of how individuals experience their employment relationship. Interestingly, research on age and the psychological contract has developed quite separately (Ng & Feldman, 2009) Importantly, most of the research on psychological contracts have focussed their attention on younger employees (Ng & Feldman, 2009). A viewpoint supported by Kraak et al. (2018) who emphasise a lack of research on older workers and psychological contracts. The importance of age-related psychological contract research was emphasised by De Lange, Bal, Van der Heijden, Jong and Schaufeli

(2011) as offering both scientific and practical value when assessing how to retain older workers in the workforce for longer.

This viewpoint will be expanded by introducing the constructs of relational and contractual psychological contracts for older workers, with the former representing a high-quality relationship founded on social exchange principles, whilst the latter suggests a low-quality exchange relationship founded largely on economic exchange terms.

2.9.1 Contractual Psychological Contracts

Employees define their psychological contract as contractual when they consider their employment relationship in purely short term, economic terms with obligations of both parties viewed strictly (Robinson & Rousseau, 1994). Contractual psychological contracts suggest a low-quality exchange relationship defined in economic exchange terms such as payment for hours worked (Anand et al., 2010). Contractual psychological contracts show a distinct lack of socioemotional resource exchange such as interpersonal concern (Rousseau, 1995). Literature suggests that supervisors may grant idiosyncratic deals as a way of compensating for the poor relationship quality (Rousseau, 2005)

Research has found stronger positive results from the granting of idiosyncratic deals in low quality exchange relationships than for those in high quality exchange relationships Anand et al. (2010). Older workers who perceive their employment relationship in low-quality terms, lack the support and other valued resources of their better positioned colleagues (Anand et al., 2010). Older workers in low quality exchange relationships will consider the granting of idiosyncratic deals as a signal that their employer values them and is seeking to fulfil their promises to them.

To develop this orientation further, I draw from disengagement theory (Cumming & Henry, 1961) that suggests that as people age, they invest less in emotional relationships and work as they slowly withdraw from their role at work and in society.

The process of disengagement is suggesting a symbolic preparation for retirement and ultimately for death. Using this theoretical orientation suggests that despite the positive initiating action of granting idiosyncratic deals, older workers will consider their psychological contract in short term, economic terms only. This orientation led to the development of the seventh hypothesis tested in the research.

H₇: Contractual psychological contracts mediate the relationship between idiosyncratic deals and psychological contract fulfilment.

An alternate orientation considers the socioemotional exchange inherent in a high-quality exchange relationship and suggests that one form of social support will depend on the existing level of support from other exchange relationships (Cropanzano & Mitchell, 2005). This orientation builds on the work of Armstrong-Stassen and Ursel (2009) who showed the importance of organisational support for older workers intentions to remain with the organisation.

This view will be discussed under the subsequent section on relational psychological contracts.

2.9.2 Relational Psychological Contracts

Individuals define their psychological contract as relational when they consider their employment relationship in long term, socioemotional terms with obligations of both parties viewed as open ended (Robinson & Rousseau, 1994). Relational psychological contracts suggest a high-quality exchange relationship defined in social exchange terms such as concern for the welfare of the individual (Anand et al., 2010).

Drawing from activity theory, Charles and Carstensen (2010) suggest that instead of disengaging from work, older workers remain active in many facets of working life and increasingly seek socially satisfying exchange relationships. This view is supported by Bal and Kooij (2011) who found that age has also been linked to the type of psychological contract with older workers who exhibit high work centrality in their lives being linked to more relational type contracts (Bal & Kooij, 2011).

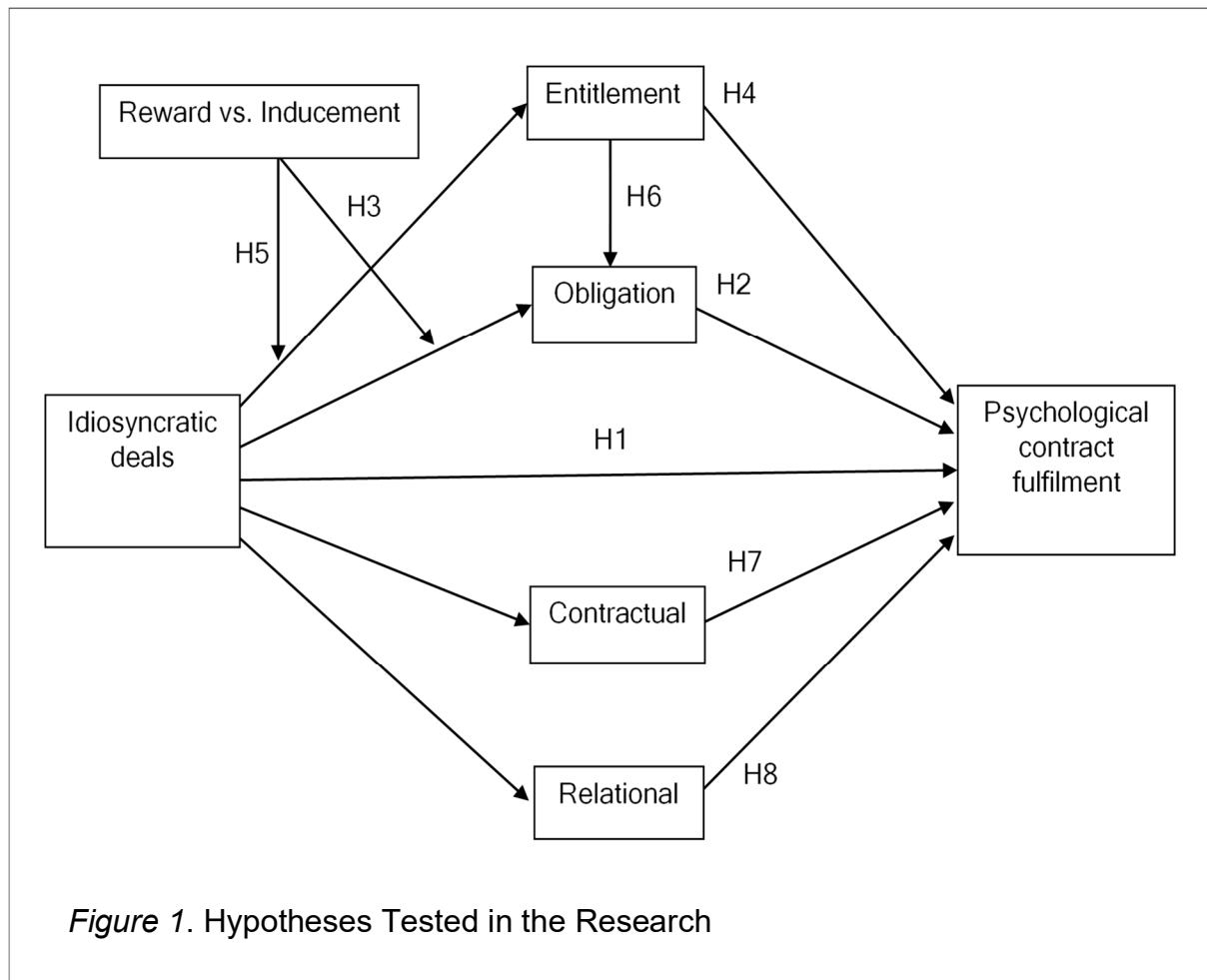
We know from the work of Rousseau (2005) that idiosyncratic deals strengthen the social exchange relationship that already exists between employee and employer. The basis for this view is that idiosyncratic deals represent an important exchange between the employer and the employee (Liu et al., 2013).

This viewpoint has validity when you consider the successful negotiation of idiosyncratic deals will signal the employers support and recognition of an employee's value to the organisation (Liu et al., 2013). In so doing, the granting of idiosyncratic deals serves to reinforce the high-quality of the employment relationship in the mind of the recipient. Importantly, this view considers the response to a positive action, in this case the granting of idiosyncratic deals in the context of a web of other exchanges that shape the value or meaning an individual attach to the positive initiating action (Cropanzo & Mitchell, 2005).

This orientation suggest that high quality exchange relationships provide the mechanism through which idiosyncratic deals exert their influence on outcomes. In other words, the value bestowed on idiosyncratic deals by older workers is evaluated in the context of the perceived support already provided them. This leads to the development of the final hypothesis tested in the research.

H₈: Relational psychological contracts mediate the relationship between idiosyncratic deals and psychological contract fulfilment

The eight hypotheses that were tested in the research are outlined in figure 1 on the next page.



2.10 LITERATURE CLOSING

The human resource challenge of a rapidly ageing workforce that is facing both developed and developing countries is very evident from this chapter. However, developing countries such as South Africa face the dual challenge of a transforming labour market context coupled with a significant skills shortage. Given the combination of these two factors, the retention of older workers is of the utmost importance to organisations operating in a developing market. To this end, the value of idiosyncratic deals for older workers as a retention tool has been established in the literature. Idiosyncratic deals have been shown to positively influence older worker motivation to work beyond retirement.

However, literature has not yet established the influence of idiosyncratic deals on psychological contract fulfilment for older workers. This is especially important given the value ascribed to psychological contract fulfilment for both the individual and the organisation. In addition, although mutual benefit is a defining feature of idiosyncratic deals, it is yet to be established in the literature. The importance of psychological contract fulfilment for both employee and employer has been well documented in the literature. Therefore, establishing that idiosyncratic deals positively influence psychological contract fulfilment may prove mutual benefit and in so doing may also help to prove a defining feature of the construct itself.

The social exchange theoretical lens that is closely aligned with norm of reciprocity is the dominant orientation through which idiosyncratic deals have been studied. The principle argument is that idiosyncratic deals create an obligation on the part of the employee to reciprocate. However, this chapter has highlighted that this orientation fails to take into consideration the psychological dynamics of the individual receiving the idiosyncratic deal. This chapter has established the theoretical argument for the influence of entitlement on obligation as an explanation for the mixed results for idiosyncratic deals in the literature. In addition, this chapter introduced and provided an argument for the importance of the moderating effect of individual perceptions for the reason they were granted an idiosyncratic deal.

Finally, the importance of the quality of the exchange relationship, as an important mechanism through which idiosyncratic deals exert their influence on outcomes for older workers was also made evident in this chapter. The mediating effect of relational and contractual psychological contracts on the relationship between idiosyncratic deals and psychological contract fulfilment has not yet been explored in the literature. Attention will be given to the research design and methodology that was selected in order to address these elements and will be discussed at length in the following section.

3 RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

This section outlines the research paradigm, research design, research type and approach to data collection that was selected for this research. In addition, this section discusses the rigour taken to ensure validity and reliability of the research. This chapter also outlines the target population, unit of analysis and justifies the purposive sampling technique that was selected for the research. The final section explains the steps taken to analyse the data and provides a justification for each of the analysis methods used.

3.2 RESEARCH PARADIGM

As a researcher, I favour a positivist paradigm and I am cognisant of the social paradigm that I was socialised into as a South African and as such how it has shaped my point of view as a researcher. I seek to identify relations between constructs and explore decision making by rational self-aware individuals (Wahyuni, 2012). However, I am conscious that paradigms within social science research are neither true nor false, but each offer a different way of looking at human life (Babbie, 2015). I am inclined to favour an objectivist epistemology underpinned by objective seeking and finding relationships between variables (Yilmaz, 2013).

The underlying philosophy for my research is one of logic and facts and the existence of universal generalisations that can be applied across various contexts (Wahyuni, 2012) and that human agency is shaped in response to external forces and stimuli which is what makes social science research so interesting. My aim as a researcher was to assume an outsider perspective and sought to remain detached from the research. This is an approach well suited to my research design. The research falls within a critical realism framework and recognises the role of actions and perceptions of individuals within a social phenomenon or context at a specific point in time.

3.3 RESEARCH DESIGN

This research was embedded within a social science research context and whilst there are competing choices when selecting a research design (Babbie, 2015), I selected a nomothetic exploratory research design. This approach was deemed the most appropriate for my research as I sought to explain a few factors that account for much of the variation between the dependant and independent variables. An exploratory design was deemed inappropriate as the subject of research is not new and key variables have been laid out in advance. I am aware that this approach will provide only a partial rather than a full explanation for the relationship between the selected variables (Babbie, 2015).

A deductive strategy of enquiry is most suited to the research as it involves moving from the general to the specific and where the hypotheses are developed from existing literature and theory and then tested. As such this mode of enquiry began with the “why” for the selection of the research questions and progressed towards the “whether” by seeking to identify and measure the relationships between the chosen constructs for this research (Babbie, 2015).

3.4 RESEARCH TYPE

A cross-sectional, survey-based design was selected for this research. The survey was self-administered in the absence of the interviewer. This technique was well suited to my research as it involves a population that is too large to observe directly and where the unit of analysis is the individual (Babbie, 2015). I am aware of the limitations of a cross-sectional design such as making causal inferences (Hornung et al., 2008). However, the research was designed to test relationships between variables in a conceptual model and is well suited to a cross-sectional design.

Furthermore, cross-sectional survey based designs have been used extensively in idiosyncratic deals research (Bal et al., 2012; Liu et al., 2013). Also, some of the problems of generalisation from this approach are overcome by data that was collected at other points in time as it builds on the results of earlier research studies in

this area (Liu et al., 2013). A strength of the research design was the use of validated instruments to measure each of the constructs.

3.5 POPULATION AND SAMPLING

For this research, the target population was older workers aged 50 years of age and older in South Africa. The study population was older workers aged 50 years of age and older in South Africa and still working. Significant consideration was given to the size of the practical aspects of accessing the target population. There is no accurate way of determining how many people over the age of 50 years of age in South Africa are still working and as such no suitable sampling frame could be adopted for this research. Therefore, a purposive snowball sampling technique was deemed the most appropriate sampling strategy to follow.

Consideration was given to gathering data at an organisational level. However, psychological contract fulfilment is a proxy for the promises kept by the organisation and as such may be subject to bias if respondents feared reprisal from the organisation for answering negatively. This was of even greater concern given the increasingly challenging labour market context for older workers in South Africa. Data gathered at the individual level therefore enabled access to accurate and unbiased responses which is a key strength of the study. Selecting to only include respondents who were 50 years of age and older also increased the likelihood of increasing the sample of managers and professionals as they are more likely to have had the opportunity to negotiate idiosyncratic deals (Ng & Feldman, 2015).

As a researcher, I am aware of the limitation of generalisability of this sampling procedure, however this was weighed against the advantages of being able to access accurate responses and eliminated wasted or inaccurate responses. A snowball sampling technique also ensured that respondents were from different sectors to compensate for any sector specific characteristics such as opportunities for career customisation, work life balance and satisfaction (Bal et al., 2015) that may have come from gathering data via an organisation.

An advantage of sampling different sectors is to increase the variance in the type and amount of idiosyncratic deals (Ostrom et al., 2016) and because the sample comprised participants from different sectors and different roles, the findings are encouraging with regards to generalisability across jobs (Rosen et al., 2013).

As part of the process, I also referenced existing idiosyncratic deals studies in both the assessment of study design and sample size. The sample sizes in 11 previous research studies on idiosyncratic deals ranges from 65 participants (Lai et al., 2009) to 443 participants (Liu et al., 2013) with an average of 194 participants. I then followed the statistical requirements set out by Pallant (2016) of 50 plus 8 times the number of predictors in the model in order to set a target sample size. The conceptual model that was tested included one independent variable, one dependent variable, four mediating variables and two moderating variables. Considering the above recommendation of Pallant (2016), a total of 250 respondents was deemed to be a sufficiently large sample for the research.

3.6 UNIT OF ANALYSIS

The unit of analysis signifies the “what” of the study, the person, process or entity being studied (Babbie, 2015). The research was designed to test the relationship between dependant and independent variables with specific attention to the mechanism explaining the relationship at an individual older worker level. As such, the unit of analysis was the individual older worker. The dependant variable for this research was psychological contract fulfilment. The research was not designed to measure the employer perspective. The intention of the research was to develop a composite picture/description for older workers that is based on the individual characteristics making up the group.

3.7 DATA COLLECTION METHODS

Data collection was undertaken by means of a mono method quantitative approach through a purposive snowball sampling technique and utilised an online survey-based questionnaire as the data collection method. This approach enabled access to a large and geographically dispersed population. The questionnaire was compiled using www.surveymonkey.com. This approach was selected as it enabled access to many respondents but importantly allowed respondents to easily forward the link to their network via email, SMS or WhatsApp messenger or other social network platforms. A request to forward this survey onto members of your network aged 50 and older was included in the text of the email and messenger platforms.

Prior to data collection, the methodology and questionnaire were sent for ethical clearance and once approved, the data collection process was undertaken. Pretesting was done by the researcher and sent to 3 participants to test. The questionnaire was also discussed with the two supervisors to ensure all questions were clearly worded. One question was deemed to be ambiguous and as such was re-worded in a clearer manner as part of this process. The average time taken by the pre-test participants to complete the survey was 10 mins and 13 seconds which showed that the number of questions and format of the questionnaire was acceptable.

The quantitative approach also offers the benefit of increased reliability. However, I am equally aware of the concerns that stem from a single observer as the source of the data (Hornung et al., 2008; Podsakoff, MacKenzie, Lee & Podsakoff, 2003). However, this was not considered a limitation in the context of the data collection as the outcome variable of psychological contract fulfilment is an individual belief level construct and as such does not require confirmation from other sources such as managers/supervisors. A survey-based design offers the strength of measurement with all respondents answering the same questions. The weakness includes lack of consideration of context and as such may only superficially cover a complex topic (Babbie, 2015). The questionnaire was provided in English only to respondents.

3.7.1 Questionnaire design

The questionnaire included an introduction to the research as well as the following statement to encourage honest responses *“Your participation is voluntary, and you can withdraw at any time without penalty. All responses are anonymous, and data will be kept confidential. If you have any concerns, please contact me or my supervisor/s. Our details are provided below”*. Respondents were encouraged *“to forward this email to members of your network who may also be interested in participating in the research”* in order to increase the overall participation rate.

The questionnaire consisted of 67 questions. The questionnaire consisted of closed ended questions and was based almost solely on a Likert based scale (Strongly disagree, Disagree, Neutral, Agree, Strongly agree). The questionnaire also included two qualifying questions namely, “what is your age?” to exclude participants who indicated they were below the age of 50 from the data analysis stage and “are you currently working?”, designed to remove older workers who may have retired. The decision to exclude these respondents from the research was to avoid any limitations that may have resulted from respondents relying on memory recall from previous roles/jobs and in so doing improve the reliability of the results. Table 1 below provides an overview of the questionnaire format. Appendix 10 contains the full questionnaire.

Table 1

Outline of the questionnaire

Construct	Number of questions	Response format
Idiosyncratic deals	15	Scaled
Obligation	9	Scaled
Entitlement	9	Scaled
Psychological contract fulfilment	12	Scaled
Relational Psychological contract	9	Scaled
Contractual Psychological contract	9	Scaled
Reward vs Inducement	1	Dichotomous

3.7.2 Construct measures

The construct items in the research were developed from existing validated measures. The following variables in table 2 below were tested in the research. Using existing validated measures greatly improves the validity of the research and I consider this to be a key strength of the research.

Table 2

Variables used in the research

Independent variable	Mediating variable	Moderating variable	Dependant variable
Idiosyncratic deals	Obligation Entitlement Relational Contractual	Reward vs Inducement	Psychological contract fulfilment

3.7.3 Idiosyncratic Deals

Idiosyncratic deals were measured using the scale developed by Rosen et al. (2013). The scale has a five-point response format ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). The scale measures five categories of idiosyncratic deals, namely; financial incentives (Cronbach's Alpha $\alpha = .86$), Task and work responsibilities (Cronbach's Alpha $\alpha = .83$), Location flexibility (Cronbach's Alpha $\alpha = .89$), Schedule flexibility (Cronbach's Alpha $\alpha = .78$). An example item for financial incentives is, "My supervisor/manager has ensured that my compensation arrangement (e.g hourly vs. salaried) meets my individual needs. An example item for Task and work responsibilities is, "I have negotiated with my supervisor/manager for tasks that better fit my personality, skills and abilities". An example item for Location flexibility is, "Because of my particular circumstances, my supervisor/manager allows me to do work from somewhere other than the main office".

An example item for Schedule flexibility is, “At my request, my supervisor/manager has accommodated my off the job demands when assigning my work hours.”

3.7.4 Psychological Contract Fulfilment

Psychological contract fulfilment was measured using the 12-item scale developed by Conway and Shapiro (2012). The scale has a four-item scale ranging from 1 (*Not at all*) to 4 (*Completely*) and shows a high consistency with a Cronbach’s Alpha ($\alpha = .90$). Example items are, “My company have fulfilled their promises on my remuneration”, and “My company have fulfilled their promises on my career development.”

3.7.5 Obligation

Obligation was measured using a 9-item scale developed by Brummel and Parker (2015). The scale uses a five-point response format ranging from 1 (*strongly disagree*) to 5 (*strongly agree*) to measure obligation (Cronbach’s alpha $\alpha = .81$). Example items are “I ought to spend more time helping others” and “I feel obligated to contribute to the community.”

3.7.6 Entitlement

Entitlement was measured using a 9-item scale developed by Brummel and Parker (2015). The scale uses a five-point response format ranging from 1 (*strongly disagree*) to 5 (*strongly agree*) to measure entitlement (Cronbach’s alpha $\alpha = .84$). Example items are “I deserve the respect of others.” and “I have a right to do a good job.”

3.7.7 Reward vs. Inducement

The individual impression for the reason idiosyncratic deals were granted was measured using a single question. Respondents were asked to choose between “a *reward for a past contribution*” or “an *inducement for a future return*” as the reason they believe they were granted idiosyncratic deals.

The survey enforced respondents to choose between the two options and the question had to be answered before the survey could be completed. An example item is, “I believe I was granted an idiosyncratic deal by my employer as a reward for my past contribution to the organization.”

3.7.8 Relational and Contractual Psychological Contracts

Relational and contractual psychological contracts were measured using an 18-item scale with 9 questions for each construct. The scale was developed by Raja, Johns and Ntalianis (2004). The scale uses a five-point response format ranging from 1 (*strongly disagree*) to 5 (*strongly agree*) and has a high level of reliability with a Cronbach’s alpha score of ($\alpha = .79$) for relational and a Cronbach’s alpha score of ($\alpha = .72$) for transactional. Example items for relational psychological contracts are “I expect to grow in this organization.” and “I feel part of a team in this organization.” Example items for contractual psychological contracts are “I only carry on what is necessary to get the job done.” and “I do not identify with the organizations goals.”

3.8 DATA ANALYSIS METHODS

This section outlines the data analysis methods used in this research. The data was exported from www.surveymonkey.com into Microsoft excel and prepared for loading into the Mplus and IBM SPSS statistical programmes. The preparation included deleting incomplete responses and removing responses to the two qualifying questions. The variables were labelled and coded before being loaded into Mplus and IBM SPSS. Two of the items in the transactional scale (Raja et al., 2004) included reverse coded questions, that were correctly coded in Mplus and IBM SPSS prior to analysis. The data was analysed using a combination of Mplus and IBM SPSS. The Process Plug in from Preacher, Rucker and Hayes (2007) for IBM SPSS was used to test for mediation and moderated mediation

3.8.1 Descriptive statistics

The first stage of analysis included descriptive statistics in order to gain an overview of the distribution of the responses received. The analysis provided an insight into the demographic composition of the respondents as well as the mean and standard deviations for the constructs. The descriptive measures utilised are outlined in table 3 below.

Table 3

Descriptive statistical measures:

Method	Description	Variable
Frequency distribution	Number of times a response appears	Age and Gender
Percentage distribution	The frequency distribution of a response expressed as a percentage of total responses received.	Age and Gender
Mean	Average of responses received to derive the central tendency of the data	Idiosyncratic deals, Reward vs Inducement, Entitlement, Obligation, Psychological contract fulfilment
Standard deviation	The degree to which members of a group differ from the mean value for the group	Idiosyncratic deals, Reward vs Inducement, Entitlement, Obligation, Psychological contract fulfilment

3.8.2 Reliability and Validity

The data needed to be subjected to tests of normality using Kolmogorov-Smirnov and Shapiro-Wilk tests in order to choose between the appropriate analytical approach to be followed. The basis for this decision was that should the data not exhibit univariate normality, the model could not be estimated using maximum likelihood (ML) and rather the MLM estimator would need to be used (Muthen, Muthen & Asparouhov, 2017). The MLM estimator produces estimates with standard errors and mean adjusted chi-square tests statistics such as Satorra-Bentler chi-square that are robust to nonnormality (Muthen et al., 2017)

In addition, the data needed to be investigated for common method bias which is a limitation when using a single data source. The Harman single factor test was selected to determine whether the research has common method bias. The Harman single factor was tested with Exploratory Factor Analysis in IBM SPSS using Principal axis factoring. No rotation method was used, since the purpose of the Harman single factor test is to determine whether one single factor emerges that explains the majority of covariance amongst factors. A lower limit threshold of 50% for detecting common method bias was selected (Podsakoff et al., 2003).

The constructs were then subjected to validity and reliability testing as part of the original measurement model. Items with factor loading scores < 0.65 were then removed prior to model fit estimates for the measurement model. Composite reliability scores and Cronbach alpha scores were calculated for each of the constructs to ensure reliability. As validated instruments were used in this research the expectation was for Cronbach alpha scores > 0.80 for all constructs.

3.8.3 Measurement model

Model fit statistics for the original measurement model was established through numerous model fit indices. Together, each of the indices provide a sound indication of the overall model fit. In table 4 on the next page, the various model fit indices are outlines as well as their respective recommended cut off values.

Model fit statistics for the measurement model was performed in three iterations. The original model included idiosyncratic deals as a first order construct. Items with low factor loadings were then removed before the model fit statistics for the re-estimated model was performed. The final structural model to test the main effects included gender and age as control variables and covariates between relational and obligation and contractual and entitlement.

Table 4

Model fit statistics for measurement model

Fit indices	Recommended cut off value
Satorra-Bentler χ^2/df ratio	< 3
Chi-square value (χ^2)	NA
Degrees of freedom (df)	NA
Scaling Correction Factor for MLM	NA
RMSEA (Root mean Square Error of Approximation)	< 0.08
CFI (Comparative Fit Indices)	> 0.9
TLI (Tucker Lewis Index)	> 0.9
SRMR (Standardized Root Mean Square Residual)	< 0.08

3.8.4 Control variables

Research has established a negative relationship between age and entitlement and reported generally higher levels of both entitlement and obligation for females compared to males, with differences in obligation found to be statistically significantly different (Brummel & Parker, 2015). In addition, previous research has suggested gender may influence employee's need for idiosyncratic deals with females expressing a greater need (Liu et al., 2018).

3.8.5 Idiosyncratic deals as a second order construct

In order to validate idiosyncratic deals as a second order construct, consisting of four dimensions namely, task and work responsibilities, schedule flexibility, location flexibility and financial incentives, two measurement models were tested, and their Bayesian Information Criterion were compared to one another. The model with the smallest Bayesian Information Criterion is indicative of a better model fit (Raftery, 1995).

Model 1: Task and work responsibility, schedule flexibility, location flexibility and financial incentives were included as first-order reflective constructs that correlated with one another.

Model 2: Idiosyncratic deals were then tested as a second-order reflective construct with four underlying dimensions used as indicators, namely task and work responsibility, schedule flexibility, location flexibility and financial incentives.

The following guidelines were used in interpreting the results: Bayesian Information Criterion differences that are between the following: 0-2 = weak evidence, 2-6 = positive evidence, 6-10 = strong evidence, and, above 10 = very strong evidence (Raftery, 1995). The Bayesian Information Criterion difference between the two models was then compared to provide evidence that idiosyncratic deals is a second order construct reflective of four first order factors. The results of which are discussed in the subsequent section.

3.8.6 Test of indirect effects

Indirect effects were tested by using the Hayes Process macro for IBM SPSS. During all estimates, gender and age were included as co-variates in order to control for their confounding effects. The mediating effects were estimated using Model 4 in Process. Bootstrapping estimation was set at 10 000. Bias corrected confidence intervals were generated and inspected to determine if either the direct or indirect effect contained

zero. The guidelines proposed by Zhao et al. (2010) was used to determine the type of mediation.

To test for moderation, bootstrapping estimation was set at 10 000. Reward vs Inducement was included as a binary moderating variable. Bias correcting confidence intervals were then generated and inspected to determine whether the confidence intervals for the interaction contained zero. Model 1 in Process was used to test for moderation. The final phase in the data analysis involved testing for moderated mediation effects. Bootstrapping estimation was set at 10 000 and reward vs inducement was included as a binary moderating variable with entitlement and obligation entered as mediating variables. Model 7 in Process was used to test for moderated mediation. The eleven-step process that was followed is outlined in table 5 below.

Table 5

Data analysis process followed

Process	Description
Step 1	Descriptive statistics
Step 2	Test of normality
Step 3	Test for common method bias
Step 3	Model fit statistics for original measurement model
Step 4	Construct validity and reliability and removal of items with low factor loadings
Step 5	Model fit statistics for re estimated measurement model
Step 6	Construct validity and reliability for re estimated measurement model
Step 7	Validation of idiosyncratic deals as a second order construct
Step 8	Fit the structural model and specified structural paths
Step 9	Model fit statistics for structural model
Step 10	Inspection of structural paths
Step 11	Test for indirect effects (mediation, moderation, moderated mediation)

3.9 RESEARCH LIMITATIONS

Whilst, the research design was deemed to be the best approach to answer the research question, certain limitations inherent in the selected design should also be mentioned. The first possible limitation stems from the cross-sectional nature of the research. A limitation of cross-sectional research is that causation cannot be fully claimed. However, this approach did allow me to measure relationships between constructs at a specific point in time. And, it was deemed an appropriate limitation in the context of the research.

The second limitation concerns the sampling technique used. A nonprobability sampling technique creates a limitation of generalisability of the findings of the research to the wider older population group in South Africa. However, as it was impossible to gauge an accurate number of people over the age of 50 who are still working, it was deemed an acceptable limitation in the context of the research. Importantly, many of the published studies on idiosyncratic deal studies were carried out in the context of a single organisation or sector (Bal et al., 2012; Nd & Feldman, 2015) therefore also placing a limitation on generalisability.

The third limitation of this study design may have stemmed from the single, common source approach of gathering self-reported data at the individual employee level. However, as I was specifically interested in measuring the psychological dynamics of the individual receiving the idiosyncratic deals and not the employer or co-worker view. I deemed it a necessary limitation of the research design at the development stage. However, once the data gathering was complete, the analysis of the Harman single factor test showed that the most variance explained by one factor was 27.467%, which is below the lower limit threshold of 50% for detecting common method bias (Podsakoff et al., 2003).

3.10 QUALITY ASSURANCE AND ETHICS

Participation in the research was done on a voluntary basis. Confidentiality was a key factor for the researcher, and this was emphasised in the opening letter. It was important to allay any ethical concerns for the participants but also to ensure that nonparticipation does not impact on the generalisability of the results. The researcher was also sensitive to the ethical issue of “no harm to participants” and will therefore chose to exclude organisations in the data gathering process so that individuals cannot locate themselves in the results of the research (Babbie, 2015).

The process of gaining ethical clearance as set out by the Research Ethics Committee was followed. Ethical principles were integrated into all levels of the research. It was also stressed to participants that they were under no obligation to participate and the following statement was included: *Your participation is voluntary, and you can withdraw at any time without penalty. All responses are anonymous, and data will be kept confidential. If you have any concerns, please contact me or my supervisor/s. Our details are provided below.*

As participants may not have been familiar with the term idiosyncratic deals despite having negotiated one or possibly many of them, I chose to include the form developed by Rosen et al. (2013) to explain the terms in detail in the introductory email to participants. *In academic terms, an idiosyncratic deal is a voluntary, personalised arrangement of a nonstandard nature that is negotiated between an employee and his or her supervisor. Such arrangements are mutually beneficial to the employee and their organisation. Examples of idiosyncratic deals may include; adjustments in pay, assignment of different tasks, flexibility in work hours and work locations (such as working from home).*

In order to encourage participation, participants were encouraged to send the link to the questionnaire to members of their network who may be interested in participating in the research. As older workers are not a population group that is often researched, I believe this was the reason for the high response rate to the questionnaire. Importantly, participants IP addresses prevented them from filling in the questionnaire more than once.

3.11 RESEARCH DESIGN CLOSING

The research design was developed to assess the relationship between idiosyncratic deals and psychological contract fulfilment at an individual older worker level by measuring the mediating and moderated mediating effects at an individual level. Extensive effort was taken by the researcher to ensure validity and reliability of the measures. The research design has inherent key strengths such as the use of validated instruments and the rigour taken during the data analysis phase. The limitations inherent in cross sectional research design as well as the purposive sampling technique selected were deemed appropriate in the context of the research purpose. The following section will discuss the results of the research in detail.

4 RESULTS

4.1 INTRODUCTION

This chapter outlines the empirical results of the data analyses presented in the previous chapter and the results of the hypotheses that were presented in chapter 2. It begins with a description of the sample before each of the eight hypotheses are discussed along with the results from the selected statistical tests that were presented in chapter 3. Finally, this chapter concludes with the conceptual presented in chapter 2, along with the appropriate standardized estimate scores to show the significant and nonsignificant relationships between the variables.

4.2 SAMPLE DESCRIPTION

A total of 538 responses were received over a 6-month period from 13 March 2018 to 03 August 2018. Of these, 401 completed the questionnaire in full, representing a completion rate of 74.5%. A further 11 responses were removed as they indicated that they were not working, and an additional 40 responses were removed as they were below 50 years of age. This resulted in 350 completed, useable responses. Table 6 and 7 provide a breakdown of the age and gender of the sample

Table 6

Breakdown of Age in the Sample

Age breakdown	Responses	% of total
50 to 55	180	51.4%
56 to 60	100	28.6%
61 or older	70	20.0%
Total Sample	350	100%

It is evident from the above that the majority of respondents were in the 50 to 55-year age group, followed by those in the 56 to 60 -year age group. Together these two groups constituted 80% of the sample.

Table 7

Breakdown of Gender in the Sample

Age breakdown	Responses	% of total
Female	219	62.6%
Male	131	37.4%
Total Sample	350	100%

Interestingly, the gender distribution of the sample favoured females with 219 of the 350 responses. Table 8 below provides a breakdown of the mean and standard deviations for the original constructs compiled of all the items in the questionnaire.

Table 8

Descriptives for original constructs

Age breakdown	N	Minimum	Maximum	Mean	Std Deviation
Psychological contract fulfilment	350	1.00	4.00	2.5600	.69782
Entitlement	350	2.00	5.00	4.3987	.57025
Obligation	350	1.67	5.00	3.5419	.61545
Task	350	1.00	5.00	3.5319	.80749
Schedule	350	1.00	5.00	3.1981	1.00972
Location	350	1.00	5.00	2.9929	1.23839
Financial	350	1.00	5.00	2.5714	.99456
Contractual psychological contracts	350	1.33	4.89	2.5581	.57517
Relational psychological contracts	350	1.00	5.00	3.3749	.84049
Idiosyncratic deals	350	1.00	5.00	3.0736	.84962
Valid N (listwise)	350				

4.3 TEST OF NORMALITY

The results for the Kolmogorov-Smirnov and Shapiro-Wilk tests revealed statistically significant results for all items in the questionnaire. The full results for both tests are included in appendix 10.8. The data therefore did not exhibit univariate normality and as such models cannot be estimated using maximum likelihood method and for this reason, the MLM estimator was used (Muthen et al., 2017)

4.4 TEST FOR COMMON METHOD BIAS

The results of the Harman single factor test with Exploratory Factor Analysis in SPSS using Principle axis factoring revealed that although several factors emerged, of which the most variance explained by one factor was 27.46%. Since the purpose of the Harman single factor test is to determine whether one factor emerges that explains the majority of the covariance amongst the factors, it was therefore concluded that common method bias was not a concern in this research. Full results are included in appendix 10.12. In table 9 below, eight of the 36 factors that emerged are outlined along with the percentage of the variance explained.

Table 9

Total variance explained

Factor	Initial Eigenvalues			Extraction Sums of the Squared loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.888	27.467	27.467	9.479	26.331	26.331
2	4.243	11.787	39.254	3.805	10.568	36.899
3	2.603	7.230	46.484	2.185	6.069	42.968
4	2.102	5.838	52.322	1.729	4.804	47.772
5	1.882	5.226	57.549	1.476	4.101	51.873
6	1.514	4.205	61.754	1.130	3.138	55.010
7	1.302	3.617	65.371	.903	2.507	57.518
8	.960	2.666	68.037			

4.5 MODEL FIT STATISTICS FOR ORIGINAL MEASUREMENT MODEL

The original measurement was tested with all items for all constructs. Gender and age were not included because they are binary and categorical respectively. The results in table 10, below reveal that the measurement model fits the data reasonably well except for the CFI and TLI that were marginally below the recommended cut off value of 0.90.

Table 10

Model fit statistics for original measurement model

Fit indices	Value	Recommended cut-off value
Satorra-Bentler χ^2/df ratio	1.20	< 3
Chi-square value (χ^2)	3706.098	NA
Degrees of freedom (df)	1854	NA
Scaling Correction Factor for MLM	1.0782	NA
RMSEA (Root Mean Square Error of Approximation)	0.053	< 0.08
CFI (Comparative Fit Indices)	0.820	>0.9
TLI (Tucker Lewis Index)	0.810	>0.9
SRMR (Standardized Root Mean Square Residual)	0.065	< 0.08

The interpretation for the Satorra-Bentler χ^2/df ratio calculations: First multiply the degrees of freedom and chi-square value with scaling correction factor before dividing.

- Chi-square: $3706.098 \times 1.10782 = 4105.689$
- Degrees of freedom: $1854 \times 1.10782 = 2053.898$
- Satorra-Bentler χ^2/df ratio $4105.689 / 2053.898 = 1.2$

4.6 CONSTRUCT VALIDITY AND RELIABILITY

Overall the data showed high composite reliability and Cronbach alpha scores. The following items in table 11 below had factor loading lower than 0.65 and were subsequently removed from analysis. In total five items for psychological contract fulfilment, six for obligation, four for entitlement, two for task idiosyncratic deals, four for contractual psychological contracts and three for relational psychological contracts were removed as they revealed low factor loadings.

Table 11

Summary of items removed

Item	Code	Estimate
My company have fulfilled their promises on offering me financial rewards other than salary	PCF 3	0.545
My company have fulfilled their promises on the hours that I work	PCF 6	0.591
I have personal control over my day to day work	PCF 7	0.546
My company have fulfilled their promises on my job security and continuity of employment	PCF 8	0.541
My company have fulfilled their promises on providing me with training	PCF 9	0.633
I ought to spend more time helping others	OBL1	0.450
I ought to sacrifice my goals to help others reach their goals	OBL2	0.533
I feel obligated to contribute to the community	OBL3	0.636
I have a duty to help others where I can	OBL4	0.615
It is my duty to make the world a better place	OBL5	0.580
I should give up my lunch break to help someone at my job	OBL9	0.565
I have the right not to be judged	ENT2	0.647
I deserve to be safe and protected from crime	ENT5	0.595
I deserve the best medical care possible	ENT6	0.642
People should listen to my opinions	ENT7	0.602
I have successfully asked for extra responsibilities that take advantage of the skills that I bring to the job	ID_TASK1	0.649

Item	Code	Estimate
I do not identify with the organisations goals	CONT_PC6	0.379
I work to achieve the purely short-term goals of my job	CONT_PC7	0.594
My job means more to me than just a means of paying the bills	CONT_PC8 REV	0.272
It is important to be flexible and to work irregular hours if necessary	CONT_PC9 REV	0.405
I expect to grow in the organisation	REL_PC1	0.376
I am motivated to contribute 100% to this company in return for future employment benefits	REL_PC9	0.497

The data revealed some convergent validity issues on the following constructs where the average variance extracted was < 0.5. psychological fulfillment (average 0.443), obligation (average 0.384) entitlement (average 0.463), task (average 0.481) and relational (average 0.436). The full results for all constructs are included in appendix 10.9 along with a description of the codes for each of the constructs in appendix 10.14

4.7 MODEL FIT STATISTICS FOR RE ESTIMATED MEASUREMENT MODEL

The re-estimated measurement model in table 12 below, fitted the data well and now also including CFI and TFI which were all > 0.90

Table 12

Model Fit Statistics for Re-estimated Measurement Model

Fit indices	Value	Recommended cut-off value
Satorra-Bentler χ^2/df ratio	1.843	< 3
Chi-square value (χ^2)	1024.574	NA
Degrees of freedom (df)	556	NA
Scaling Correction Factor for MLM	1.1106	NA
RMSEA (Root Mean Square Error of Approximation)	0.049	< 0.08
CFI (Comparative Fit Indices)	0.923	>0.9
TLI (Tucker Lewis Index)	0.912	>0.9
SRMR (Standardized Root Mean Square Residual)	0.052	< 0.08

Satorra-Bentler χ^2/df ratio calculations: First multiply the degrees of freedom and chi-square value with scaling correction factor before dividing

- Chi-square: $1024.574 \times 1.1106 = 1137.891$
- Degrees of freedom: $556 \times 1.1106 = 617.494$
- Satorra-Bentler χ^2/df ratio $1137.891 / 617.494 = 1.843$

4.8 CONSTRUCT VALIDITY AND RELIABILITY

Sound evidence of reliability and convergent validity for the re-estimated measurement model emerged for all items and constructs with the average for all constructs > 0.50 . Composite reliability and Cronbach alpha values all > 0.77 . The full results can be found in appendix 11. Evidence of discriminant validity was found between the constructs of task and schedule as the square root of the average exceeded the correlation it has with the other construct (Fornell & Larcker, 1981). The discriminant validity results for the re-estimated model can be found in appendix 12.

However, these constructs part of the four dimensions making up the second order construct known as idiosyncratic deals (Rosen et al., 2013). I therefore deemed the discriminant validity between task and schedule as an expected and acceptable result and progressed to formally validate idiosyncratic deals as a second order construct. This was a critical step in the process and necessary requirement before testing the model fit and inspecting the structural paths.

4.9 IDIOSYNCRATIC DEALS AS A SECOND ORDER CONSTRUCT

A contribution of this research is the validation of idiosyncratic deals as a second order construct consisting of four dimensions and the subsequent use of this second order construct as part of the study design. In order to validate idiosyncratic deals as a second order construct, two measurement models were tested and their Bayesian Information Criterion results compared (Raftery, 1995).

In model 1 task and work responsibility, schedule flexibility, location flexibility and financial incentives were included as first-order reflective constructs that correlated with one another. The Bayesian Information Criterion result for model 1 = 12249.101. Following this in model 2, idiosyncratic deals were then tested as a second-order reflective construct with four underlying dimensions used as indicators. These underlying dimensions were, task and work responsibility, schedule flexibility, location flexibility and financial incentives. The Bayesian Information Criterion result for model 2 = 12241.183.

The following guidelines were used in interpreting the results: Bayesian Information Criterion, differences that are between the following: 0 - 2 = weak evidence, 2 - 6 = positive evidence, 6 - 10 = strong evidence, and, above 10 = very strong evidence (Raftery, 1995). The Bayesian Information Criterion difference between the two models described above was 7.918 which indicates strong evidence that idiosyncratic deals are a second order construct reflective of four first order factors, namely task and work responsibility, schedule flexibility, location flexibility and financial incentives.

Although, dimensions of an aggregate construct may not necessarily correlate highly with each other (Liao et al., 2016), the four dimensions of idiosyncratic deals, the results in table 13 below show a statistically significant relationship between idiosyncratic deals and each of the four dimensions or type of idiosyncratic deals in further support of idiosyncratic deals as a second order construct consisting of four dimensions. Estimated correlation matrix included in appendix 10.15.

Table 13
Standardized Estimate Results for Sub Dimensions

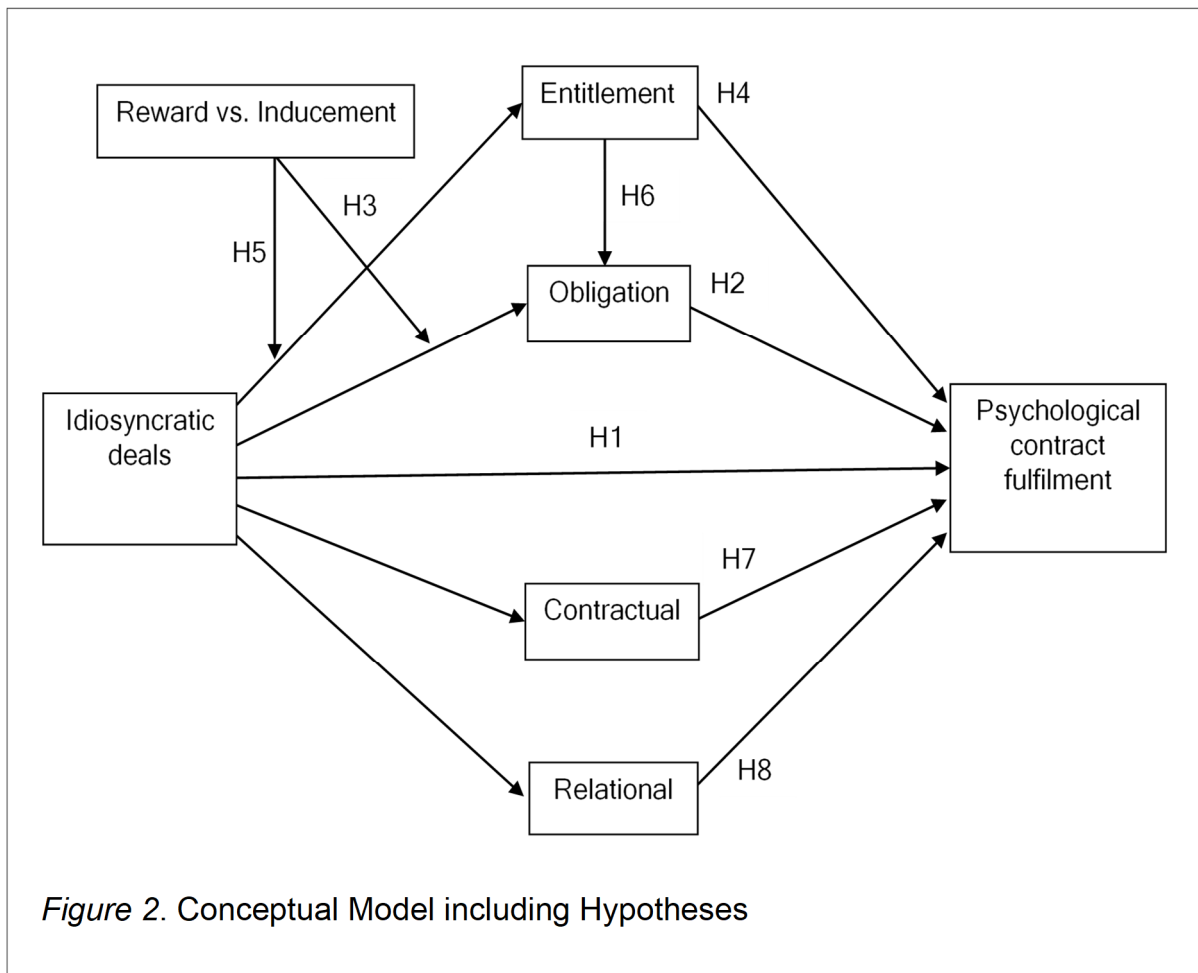
Path		Standardized Estimate	S.E. Est.	p-value	t-value	Result
Idiosyncratic deals	→ Task and work responsibilities	0.854***	0.022	0.0001	32.759	Significant
Idiosyncratic deals	→ Schedule flexibility	0.917***	0.020	0.0001	45.053	Significant

Path		Standardized Estimate	S.E. Est.	p-value	t-value	Result
Idiosyncratic deals	→ Location flexibility	0.784***	0.025	0.0001	30.827	Significant
Idiosyncratic deals	→ Financial incentives	0.835***	0.025	0.0001	33.511	Significant

***statistically significant at $p < 0.01$ two-tailed

4.10 STRUCTURAL MODEL TO TEST MAIN EFFECTS

The structural model with idiosyncratic deals included as a second order construct could be assessed along with the specified structural paths. Gender and age were included as co-variates. Therefore, gender and age are exogenous variables in the final structural model and to control for their effects, a direct path was estimated to each endogenous variable in the model.



Age and Gender have been shown to influence entitlement and obligation (Brummel & Parker, 2015). Age and obligation (Estimate = 0.087, S.E = 0.047, $p = 0.064$, $t = 1.853$). Age and entitlement (Estimate = -0.126, S.E = 0.050, $p = 0.012$, $t = -2.520$). Gender and obligation (Estimate = 0.106, S.E = 0.050, $p = 0.034$, $t = 2.116$). Gender and entitlement (Estimate = -0.249, S.E = 0.048, $p = 0.001$, $t = -5.171$). Co- variates were also included between obligation and relational (Estimate = 0.062, S.E 0.060, $p = 0.305$, $t = 1.26$), contractual and entitlement (Estimate = 0.244, S.E = 0.046, $p = 0.0001$, $t = 4.899$) in order to further improve the re-estimated model.

The re-estimated measurement model in table 14 below, fitted the data reasonably well with all of the fit indices exceeding their recommended cut off values.

Table 14

Re-estimated Model

Fit indices	Value	Recommended cut-off value
Satorra-Bentler χ^2/df ratio	1.90	< 3
Chi-square value (χ^2)	1207.576	NA
Degrees of freedom	636	NA
Scaling Correction Factor for MLM	1.0961	NA
RMSEA (Root Mean Square Error of Approximation)	0.051	< 0.08
CFI (Comparative Fit Indices)	0.908	>0.9
TLI (Tucker Lewis Index)	0.90	>0.9
SRMR (Standardized Root Mean Square Residual)	0.057	< 0.08

Satorra-Bentler χ^2/df ratio calculations: First multiply the degrees of freedom and chi-square value with scaling correction factor before dividing

- Chi-square: $1207.576 \times 1.0961 = 1323.624$
- Degrees of freedom: $636 \times 1.0961 = 697.12$
- Satorra-Bentler χ^2/df ratio: $1323.624 / 697.12 = 1.90$

4.11 PSYCHOLOGICAL CONTRACT FULFILMENT

The first objective of the research was to determine if there is relationship between idiosyncratic deals and psychological contract fulfilment. The first hypothesis tested in the research was developed to address this objective. The granting of idiosyncratic deals is not without significant costs to the organisation and psychological contract fulfilment is deemed very important in the context of the individual and the organisation. However, and perhaps even more importantly in the context of the body of literature on idiosyncratic deals may also prove mutual benefit. To date, research has not answered this important question, and this led to the development of the first hypothesis, namely;

H₁: Idiosyncratic deals positively influence psychological contract fulfilment

The result of the standard estimates shows a statistically positive influence of idiosyncratic deals on psychological contract fulfilment (S.E 0.308***, $p < 0.001$). Therefore, allowing the researcher to accept hypothesis 1 and to reject the null hypothesis. Results for hypothesis 1 are shown in table 15 below.

Table 15

Influence of Idiosyncratic Deals on Psychological Contract Fulfilment

Path		Standardized Estimate	S.E. Est.	p-value	t-value	Result
Idiosyncratic deals	→ Psychological contract fulfilment	0.308***	0.077	0.0001	3.994	Significant

***statistically significant at $p < 0.01$ two-tailed

4.12 OBLIGATION

The second objective of the research was to elucidate the mechanism through which this relationship exists and to specifically examine the prevailing social exchange theoretical paradigm that is used to explain the effect of idiosyncratic deals on outcomes.

Obligation represents the inducement exchange perspective inherent in social exchange theory and the reciprocal response expected to develop within the individual granted an idiosyncratic deal. This led to the development of the second hypothesis.

H₂: Obligation mediates the relationship between idiosyncratic deals and psychological contract fulfilment.

Tests for mediation were performed using model 1 of the Process macro developed by Preacher and Hayes for IBM SPSS. Interestingly, despite a statistically significant relationship between idiosyncratic deals and obligation (S.E 0.175^{***}, $p < 0.005$), the test for mediation reveals that obligation does not mediate the relationship between idiosyncratic deals and psychological contract fulfilment (LLCI; ULCI includes 0, p value > 0.001). The results for the mediating effect of obligation are outlined in table 16 below.

Table 16
Mediating Effect of Obligation

Variables X >> M >> Y	Indirect estimate [LLCI; ULCI]	Result
Idiosyncratic deals>>Obligation>>PCF	-0.012 [-0.040; -0.0001]	No mediation

Note: X: exogenous variable; M: mediating variable; Y: endogenous variable.

LLCI: lower level confidence interval; ULCI: upper level confidence interval

Importantly, the results in table 16 shows a mediating effect for obligation on the relationship between idiosyncratic deals and psychological contract fulfilment that is so small that it borders on insignificant, allowing the researcher to reject hypothesis 2 and to accept the null hypothesis.

4.13 REWARD VS. INDUCEMENT

The literature is silent on the importance for the effect of individual perceptions for the reason they were granted idiosyncratic deals. The argument put forward in this research is that if the granting of idiosyncratic deals is deemed an inducement for a future return to the organisation, it may strengthen the relationship between idiosyncratic deals and obligation. Conversely, if individuals deem the granting of idiosyncratic deals as a reward for a past contribution it may strengthen the relationship between idiosyncratic deals and entitlement. This led to the development of hypothesis 3 and 5 that were tested in the research.

H₃: Idiosyncratic deals predicated on an inducement for a future return moderates the mediating effect of obligation (H₂) on the relationship between idiosyncratic deals and psychological contract fulfilment, such that the mediating effect of obligation is stronger

H₅: Idiosyncratic deals predicated on a reward for a past contribution moderates the mediating effect of entitlement (H₄) on the relationship between idiosyncratic deals and psychological contract fulfilment such that the mediating effect of entitlement is stronger.

The test of moderated mediation was done using Model 7 in Hayes Process Macro for IBM SPSS. Importantly, Moderated-mediated effects can be claimed when the interaction index for the moderated mediation is significant. The results are outlined in table 17 on the next page. The results do not support the existence of a moderated mediating effect as LLCI; HLCI for both entitlement and obligation include 0 and as such led the researcher to reject both hypotheses 3 and 4 and to accept the null hypotheses.

Table 17*Moderated Mediation of Reward vs. Inducement*

Mediator	Index	LLCI	ULCI	Result
Entitlement	0.0009	-0.0065	0.0229	No moderated mediation
Obligation	0.0048	-0.0072	0.0421	No moderated mediation

LLCI: lower level confidence interval; ULCI: upper level confidence interval

4.14 ENTITLEMENT

Another objective of the research was to determine if entitlement mediates the relationship between idiosyncratic deals and psychological contract fulfilment and lead to the development of hypothesis 4.

H₄: Entitlement mediates the relationship between idiosyncratic deals and psychological contract fulfilment.

Model 1 in the Hayes Process plug in for IBM SPSS was used to test the mediating effect of entitlement on the relationship between idiosyncratic deals and psychological contract fulfilment. The results show that no mediation exists (LLCI; ULCI includes 0, $p > 0.001$). The results in table 18 below allowed the researcher to reject hypothesis 4 and to accept the null hypothesis.

Table 18*Mediating effect of Entitlement*

Variables X >> M >> Y	Indirect estimate [LLCI; ULCI]	Result
Idiosyncratic deals>>Entitlement>>PCF	0.0001 [-0.005; 0.008]	No mediation

Note: X: exogenous variable; M: mediating variable; Y: endogenous variable.

LLCI: lower level confidence interval; ULCI: upper level confidence interval

4.15 INFLUENCE OF ENTITLEMENT ON OBLIGATION

The next objective of the research was to establish whether entitlement has an influence on obligation. This led to the development of hypothesis 6 that was tested in this research.

H₆: Entitlement has a direct positive influence on obligation

The results of standard estimate show that entitlement has a statistically significant positive influence on obligation (S.E 0.246***, $p < 0.001$). This allowed the researcher to accept hypothesis 6 and to reject the null hypothesis. The full results are outlined in table 19 below.

Table 19

Influence of Entitlement on Obligation

Path	Standardized Estimate	S.E. Est.	p-value	t- value	Result
Entitlement → Obligation	0.246***	0.053	0.0001	4.675	Significant

***statistically significant at $p < 0.01$ two-tailed

The results presented thus far have tested the expected reciprocating response inherent in the social exchange and norm of reciprocity theoretical paradigms. The results have shown that despite a statistically significant positive relationship between idiosyncratic deals and obligation (S.E 0.175***, $p < 0.005$), obligation does not mediate the relationship between idiosyncratic deals and psychological contract fulfilment. This may be due to the statistically significant positive influence of entitlement on obligation (S.E 0.246***, $p < 0.001$). Attention will now be given to the second part of the thesis wherein the importance of the quality of the exchange relationship for older workers is examined.

This examination was done by using a low-quality exchange relationship characterised by contractual psychological contracts and a high-quality exchange relationship characterised by relational psychological contracts.

4.16 CONTRACTUAL PSYCHOLOGICAL CONTRACTS

An objective of this research was to determine if idiosyncratic deals work through low-quality exchange relationships. Hypothesis 7 was developed to test this mechanism by using the construct of contractual psychological contracts, described in the literature as low-quality exchange relationships.

H₇: Contractual Psychological contract mediates the relationship between idiosyncratic deals and psychological contract fulfilment

Interestingly, in the context of this research is that the relationship between idiosyncratic deals and contractual psychological contracts was negative and statistically significant at the $p < 0.005$ level (S.E - 0.199^{***}, $p = 0.004$) as depicted in table 20 below. Showing a strong negative relationship between the two constructs. Attention will now be given to testing whether obligation has a mediating effect on the relationship between idiosyncratic deals and psychological contract fulfilment.

Table 20
Influence of Idiosyncratic Deals on Contractual Psychological Contracts

Path	Standardized Estimate	S.E. Est.	p-value	t- value	Result
Idiosyncratic deals → Contractual PC	-0.199 ^{***}	0.068	0.004	-2.914	Significant

^{***}statistically significant at $p < 0.05$ two-tailed

The mediating effect of contractual psychological contracts was measured using model 7 in Hayes Process macro in IBM SPSS. The results show a non-statistically significant mediating effect of contractual psychological contracts on the relationship between idiosyncratic deals and psychological contract fulfilment (LLCI; ULCI includes 0, $p > 0.001$). The results are depicted in table 21 below. This result allowed the researcher to reject hypothesis 7 and to accept the null hypothesis.

Table 21
Mediating Effect of Contractual Psychological Contracts

Variables X >> M >> Y	Indirect estimate [LLCI; ULCI]	Result
Idiosyncratic deals>>Contractual >>PCF	0.00148 [-0.004; 0.043]	No mediation

Note: X: exogenous variable; M: mediating variable; Y: endogenous variable.

LLCI: lower level confidence interval; ULCI: upper level confidence interval

4.17 RELATIONAL PSYCHOLOGICAL CONTRACTS

The next objective of the research was to establish if idiosyncratic deals work through high-quality exchange relationships. This represent the alternative orientation to a low-quality exchange relationship. This orientation is depicted by a relational psychological contract that has been described in the literature as a high-quality exchange relationship and led to the development of Hypothesis 8.

H₈: Relational Psychological contract mediates the relationship between idiosyncratic deals and psychological contract fulfilment

Evidence was found to support the existence of a strong relationship between idiosyncratic deals and relational psychological contracts (S.E 0.716***, $p < 0.01$) as depicted in table 22 on the next page. This contrasts with the statistically significant negative relationship between idiosyncratic deals and contractual psychological contracts described earlier.

Table 22*Influence of Idiosyncratic Deals on Relational Psychological Contracts*

Path		Standardized Estimate	S.E. Est.	p-value	t-value	Result
Idiosyncratic deals	→ Relational PC	0.716***	0.036	0.0001	19.792	Significant

***statistically significant at $p < 0.01$ two-tailed

Attention will now be given to the testing of the mediating effect of relational psychological contracts. To test for mediation, model 1 in the Hayes Process macro for IBM SPSS was used. Strong evidence was found to support a mediating effect for relational psychological contracts on the relationship between idiosyncratic deals and psychological contract fulfilment (LLCI; ULCI did not include 0, $p < 0.001$). This allowed the researcher to accept hypothesis 8 and to reject the null hypothesis.

The results are outlined in table 23 below.

Table 23*Mediating Effect of Relational Psychological Contracts*

Variables X >> M >> Y	Indirect estimate [LLCI; ULCI]	Result
Idiosyncratic deals >> Relational >> PCF	0.2074 [0.147; 0.282]	Mediation

Note: X: exogenous variable; M: mediating variable; Y: endogenous variable.

LLCI: lower level confidence interval; ULCI: upper level confidence interval

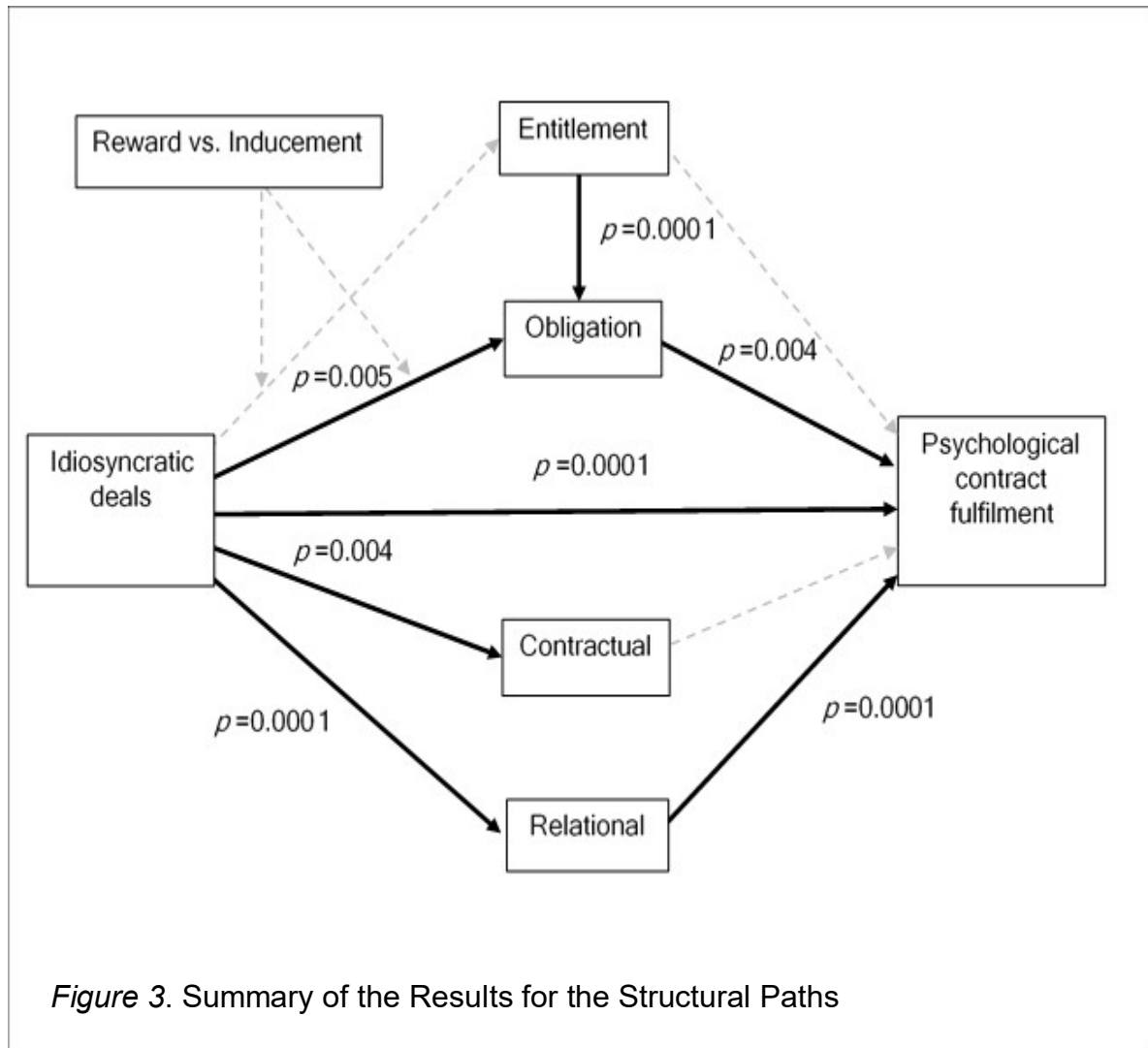
A summary of the 8 hypotheses that were tested in the research and whether they were supported or not supported is summarised in table 24 on the next page.

Table 24*Summary of the Results for the Eight Hypotheses Tested*

Hypotheses	Result
<i>H₁: Idiosyncratic deals positively influence psychological contract fulfilment.</i>	Fully supported
<i>H₂: Obligation mediates the relationship between idiosyncratic deals and psychological contract fulfilment.</i>	Not supported
<i>H₃: Idiosyncratic deals predicated on an inducement for a future return moderates the mediating effect of obligation (H₂) on the relationship between idiosyncratic deals and psychological contract fulfilment, such that the mediating effect of obligation is stronger.</i>	Not supported
<i>H₄: Entitlement mediates the relationship between idiosyncratic deals and psychological contract fulfilment.</i>	Not supported
<i>H₅: Idiosyncratic deals predicated on a reward for a past contribution moderates the mediating effect of entitlement (H₄) on the relationship between idiosyncratic deals and psychological contract fulfilment such that the mediating effect of entitlement is stronger.</i>	Not supported
<i>H₆: Entitlement has a direct positive influence on Obligation.</i>	Fully supported
<i>H₇: Contractual Psychological contract mediates the relationship between idiosyncratic deals and psychological contract fulfilment.</i>	Not supported
<i>H₈: Relational Psychological contract mediates the relationship between idiosyncratic deals and psychological contract fulfilment.</i>	Fully supported

4.18 CONCLUSION

This section presented the results of the research. Figure 3 below summarises the results by showing the significance tests of the original conceptual model. The significant relationships ($p < 0.05$) are depicted with a bold line. The non-significant relationships ($p > 0.05$) are depicted with a dashed line.



The subsequent section will discuss these results with respect to the literature.

5 DISCUSSION

5.1 INTRODUCTION

The discussion section addresses the main research objective of whether there is a relationship between idiosyncratic deals and psychological contract fulfilment for older workers and examines the mechanism through which this effect occurs. This section interprets the results in relation to existing literature on idiosyncratic deals and older workers. The research was set within the nuanced context of a rapidly changing labour market and contributes to theory on idiosyncratic deals

The objectives for the research were the following:

1. Determine whether there is relationship between idiosyncratic deals and psychological contract fulfilment.
2. Determine if obligation explains the relationship between idiosyncratic deals and psychological contract fulfilment.
3. Determine if entitlement explains the relationship between idiosyncratic deals and psychological contract fulfilment.
4. Determine if reward and inducement perceptions strengthen the mediators of idiosyncratic deals and psychological contract fulfilment.
5. Determine whether entitlement has an influence on obligation.
6. Determine if idiosyncratic deals work through low-quality exchange relationships.
7. Determine if idiosyncratic deals work through high-quality exchange relationships.

Validating idiosyncratic deals as a second order construct was a necessary requirement in order to meet the research objectives listed above

5.2 IDIOSYNCRATIC DEALS AS A SECOND ORDER CONSTRUCT

The majority of idiosyncratic deals studies have used one or more categories of idiosyncratic deals as part of their design, and whilst there are merits in doing so, there is also justification for the examination of idiosyncratic deals as a single, general concept (Liao et al., 2016). The benefits of this orientation is that it captures the extent to which an employee has successfully negotiated a customised work arrangement, the facets of which represent the various dimensions of the idiosyncratic deal (Liao et al., 2016). Or put differently, a multidimensional aggregate construct with specific content as sub dimensions. Importantly, this is the first research to validate idiosyncratic deals as a second order construct and then to use that second order construct as part of the overall research design.

The merits of which are two-fold. Namely, it aligns with the view of Liao et al. (2016) who make the point that the decision to treat idiosyncratic deal contents as distinct variables or as a single general concept depends on the nature of the research question being answered. Considering that this research aimed to provide an explanation for the mixed results in the idiosyncratic deals literature, the latter orientation was deemed the most appropriate approach to take. Secondly, adopting the view of parsimony or Occam's razor, it would suggest that the simpler approach is often more accurate, especially in respect to capturing the underlying mechanism through which idiosyncratic deals exert their influence on outcomes.

Research that has successfully tested alternative mediating mechanisms to social exchange theory, most notably, self enhancement (Liu et al., 2013) and creative self-efficacy (Zhang, Wang & Liu, 2018) have chosen to test only flexibility and developmental needs. A contribution of this research is providing statistical support by way of the Bayesian Information Criterion test (Raftery, 1995) to validate idiosyncratic deals as a second order construct, reflective of four first order constructs. In addition, the findings of this research found that the four dimensions of idiosyncratic deals identified by Rosen et al. (2013) are also highly correlated constructs.

5.3 PSYCHOLOGICAL CONTRACT FULFILMENT

The first objective of this research was to determine if there is a relationship between idiosyncratic deals and psychological contract fulfilment. By contrast, most research has focussed on the consequences of psychological contract fulfilment (Karagonlar et al., 2016). Although research has positively linked the granting of idiosyncratic deals to organisational citizenship behaviour (Anand et al., 2010), willingness to work beyond retirement (Bal et al., 2012), older worker employability (Bal et al., 2015) and employee voice behaviour (Ng & Feldman, 2010), scholars have also suggested that idiosyncratic deals research can benefit by examining a broader range of outcomes (Liao et al., 2016).

This research has answered that call by finding strong evidence to support a relationship between idiosyncratic deals and psychological contract fulfilment for older workers. This is an important contribution to the body of literature on idiosyncratic deals and clearly adds to the current academic conversation. However, in so doing, the findings of this research may also provide support for the construct validity of idiosyncratic deals. One of the defining features of idiosyncratic deals that distinguishes them from constructs such as cronyism and nepotism is that they are mutually beneficial to the organisation and the individual (Rousseau et al., 2006). Importantly, despite the literature on idiosyncratic deals developing significantly in recent years, this remains a gap in the literature. To date, research has found support for the effectiveness of idiosyncratic deals but has failed to explicitly support mutual benefit.

To this end, psychological contract fulfilment is described as the cognitive conclusion that the organisation has fulfilled its promises. (Zhao et al., 2007), and organisational fulfilment of their promises is defined as a precondition to a high-quality exchange relationship between the organisation and its employees (Coyle-Shapiro & Kessler, 2000). Given the above, the findings of this research may have closed that gap in the literature by providing support for the construct validity of idiosyncratic deals by affirming mutual benefit.

5.4 OBLIGATION

Having established the relationship between idiosyncratic deals and psychological contract fulfilment, the second objective of this research was to determine if obligation was the mechanism through which this effect occurs. A lack of support was found for the mediating effect of obligation. A central tenet of social exchange theory and in particular the norm of reciprocity is that employee's having been granted idiosyncratic deals will feel a sense of obligation to reciprocate (Ng & Feldman, 2012) but this view was not supported by the findings of this research. In contrast, the finding of this research supports the view that idiosyncratic deals may in fact not always generate an obligation to reciprocate (Liao et al., 2016).

As possible, explanation for a lack of obligation may stem from the age profile of the participants. We know for example that employment arrangement for younger workers have a direct effect, whereas for older workers other life related aspects also have an effect (Bal & Jansen, 2015). Importantly, in the challenging employment context for older workers in which this research was set may also have an effect. To this end, Bal and Jansen (2015) make the argument that idiosyncratic deals do not operate in a social vacuum and are influenced by external factors such as co-workers and the size of the organisation they work for. They go so far as to suggest that idiosyncratic deals research takes into consideration country, team and organisational factors as each may impact on the effectiveness of idiosyncratic deals for older workers.

It is noteworthy that despite norm of reciprocity (Gouldner, 1960) and social exchange theory (Blau, 1964) being the predominant theoretical lens used to explain idiosyncratic deals, this is the first research to directly test obligation as a mediating construct. To this end, the research by Liu et al. (2013) used an indirect measure of perceived organisational support to represent social exchange. The findings of this research support a strong relationship between idiosyncratic deals and obligation but failed to support a mediating effect. Therefore, this research adds to the academic view of a more complex relationship between idiosyncratic deals and outcomes (Vidyarathi et al., 2014) and builds on the work of Liu et al. (2013) by focusing on the importance of the psychological dynamics of the individual recipient of the idiosyncratic

deal. An orientation that has received limited attention compared to the reciprocating response mechanism that represents the employer view.

As this research was focussed on older workers only, it is interesting to compare the overall results with the study by Brummel and Parker (2015) who by comparison focussed their study on a younger population with a mean age of 32 years of age. The mean composite score for obligation in this study was 3.54 for participants 50 years of age and older compared to a mean score for obligation of 3.36 in their study. In addition, obligation was not statistically significantly related to age in their study, compared to the findings of this research where the relationship between age and obligation was found to be significantly positive.

5.5 ENTITLEMENT

The third objective of the research was to determine if entitlement explains the relationship between idiosyncratic deals and psychological contract fulfilment. Perhaps surprisingly, there is a dearth of research examining the role of entitlement in explaining the relationship between idiosyncratic deals and outcomes. The result of this research showed that the relationship between idiosyncratic deals and entitlement was not statistically significant and importantly that the relationship between idiosyncratic deals and psychological contract fulfilment was not mediated by entitlement.

Research by Vidyarthi et al. (2014) argues for the importance of entitlement beliefs at an individual level and suggests that in the context of flexibility idiosyncratic deals that employees may take for granted customised work arrangements and that this bias may lead to employee perceptions of being entitlement. This finding of this research failed to find support for this view as the relationship between idiosyncratic deals and entitlement was very weak and not statistically significant. In addition, the mediating effect of entitlement on the relationship between idiosyncratic deals and psychological contract fulfilment was also not supported.

These findings contribute to the argument put forward by Liu et al. (2013) that low individualist people will respond to idiosyncratic deals more from a relational perspective whilst self enhancement matters more to high individualist individuals. The key contribution of both studies is the importance of examining the role of individualism or the psychological dynamics of the individual receiving an idiosyncratic deal and not just the social exchange perspective. Interestingly, the mean composite score for entitlement in this study was 4.39 (*S.D* .57) compared to a mean of only 4.07 (*SD* .71) in the study by Brummel and Parker (2015), however as stated previously this must be considered in the context of the average age of their sample of 32 years of age. The findings of the Brummel and Parker (2015) study supported a negative correlation between age and entitlement. A finding that was also supported by the outcome of this research on older workers.

5.6 REWARD VS. INDUCEMENT

The fourth objective of this research was to determine the importance of individual perceptions for the reason an idiosyncratic deal was granted to them. The idiosyncratic deals literature is silent on this matter. We know that the granting of idiosyncratic deals signals organisational interest in its employees, thereby increasing commitment (Ng & Feldman, 2010) but whether individual perceptions for whether it was granted as an inducement or a reward has not been established. This research has firstly shown a degree of ambivalence on the part of recipients regarding the reason they were granted idiosyncratic deals.

Of the 350 respondents in the sample, $n = 184$ (52.5%) selected “reward” and $n = 166$ (47.4%) selected “inducement, showing no clear preference. Secondly, the moderating effect of reward vs. inducement on the relationship between idiosyncratic deals and obligation and idiosyncratic deals and entitlement was found to be non-statistically significant. The findings therefore suggest that individual beliefs for the reason they were granted the idiosyncratic does not affect feelings of obligation or entitlement. According to social exchange theory, relationships thrive when the recipients of favourable treatment believe that the motivation stems from a benevolent, as opposed to a self-interest based motive (Karagonlar et al., 2016).

Therefore, if individual perceptions are that an idiosyncratic deal was granted as an inducement for a future return to the organisation, it is likely to signal support and increase the level of obligation. The findings of this research do not support this view. However, caution should be exercised when interpreting the findings due to the way this question was constructed in the questionnaire. Participants were forced into a dichotomous selection of either reward or inducement as the reason for being granted an idiosyncratic deal. This resulted in a binary variable that was subsequently recoded into a dummy variable. Future researchers may benefit from exploring the differences between the two in more detail.

5.7 INFLUENCE OF ENTITLEMENT ON OBLIGATION

The fifth objective of this research was to determine whether entitlement has an influence on obligation. The central tenet of social exchange and norm of reciprocity is that individuals will feel an obligation to reciprocate following the granting of idiosyncratic deals. However, literature also suggests idiosyncratic deals may not always generate reciprocity (Liao et al., 2016). The argument put forward in this research is that in addition to feelings of obligation, older workers will also exhibit feelings of entitlement.

The research by Brummel and Parker (2013) attest to the independence of the two constructs, a view that is supported by the outcome of the discriminant validity test in this research. In contrast to the complementary perspective of the entitlement of the employee and the obligatory response expected by the employer (Vidyarthi et al., 2014), the findings of this research support the importance of the psychological dynamics of the individual (Liu et al., 2013) in response to receiving an idiosyncratic deal. To this end, the research has shown that there is a strong relationship between idiosyncratic deals and obligation for older workers but as discussed has failed to support the mediating effect of obligation. Importantly the findings of this research have shown a statistically significant influence of entitlement on obligation.

We know that older workers are described in the literature as both actively involved with assisting of other people whilst at the same time also advocating their own self-interest (Hogan & Roberts, 2004) and that people need to be encouraged to show prosocial behaviour, because it is assumed that people are naturally drawn towards feelings of self-interest (Miller, 1999). We also know the environment in which the older worker has been granted an idiosyncratic deal plays a role in whether they are effective or not, but it is not the only factor at play.

In fact, the outcomes for idiosyncratic deals is mainly a result of the psychological processes taking place within the older worker themselves (Bal & Jansen, 2015). The findings of this research appear to support this view. However, it should be highlighted that given the strength of this influence, it is also suggested as a possible explanation for why idiosyncratic deals may not always generate reciprocity (Liao et al., 2016). This is an important contribution the body of literature on idiosyncratic deals and should be explored further in future research.

5.8 CONTRACTUAL PSYCHOLOGICAL CONTRACTS

The sixth objective of the research was to determine if idiosyncratic deals work through low quality exchange relationships. Contractual psychological contracts are defined as low-quality exchange relationships, with an absence of interpersonal concern. The results of this research show a statistically significant negative relationship between idiosyncratic deals and contractual psychological contracts. In addition, the relationship between idiosyncratic deals and psychological contract fulfilment was not mediated by contractual psychological contracts.

This is in contrast to the findings of Anand et al. (2010) who found that the effect of idiosyncratic deals was stronger in low-quality exchange relationships than in high quality-exchange relationships and suggest that idiosyncratic deals may provide a substitute for a high quality exchange relationship. Of interest is that their research design utilised leader member exchange as a moderating variable to represent relationship quality and not relationship quality directly as was done in this research.

The findings of this research show that, for older workers, idiosyncratic deals do not work through low quality exchange relationships. However, it should be noted that the average of their sample was only 27.6 years of age. In addition, they only used developmental idiosyncratic deals as part of their design compared to the second order construct used in this research. The findings of this research support the results of Armstrong-Stassen (2008) and Bal et al. (2012) by also affirming the importance of employment relationship quality to older workers. In addition, the findings of this research show that idiosyncratic deals are negatively related to contractual psychological contracts.

5.9 RELATIONAL PSYCHOLOGICAL CONTRACTS

The seventh objective of this research was to determine if idiosyncratic deals work through high-quality exchange relationships. Relational psychological contracts are defined as high-quality exchange relationships, with a great deal of interpersonal concern. This research showed a statistically significant positive relationship between idiosyncratic deals and relational psychological contracts. In addition, the relationship between idiosyncratic deals and psychological contract fulfilment is mediated by relational psychological contracts.

The findings of this research support those of Bal et al. (2012) who found that in order for developmental idiosyncratic deals to work for older workers, they required a supportive unit climate. This is also aligned with the work of Armstrong-Stassen and Ursel (2009) who affirm the importance of tailored human resource policies and practices for older workers. However, Armstrong-Stassen (2008) also ranked the most important factors for older workers to be willing to remain with the organisation or to return to the organisation post retirement and they found that the most important was recognition and respect. This affirms the argument for the importance of the relational aspect of work for older workers.

The findings of this research support the view that idiosyncratic deals as a general concept, exert their influence on psychological contract fulfilment through high quality social exchange relationships and not low-quality economic exchange relationship. Or put differently, idiosyncratic deals require a relational exchange relationship in order to exert their influence on psychological contract fulfilment. This is an important finding especially in the South African labour market context for older workers characterised by an evolution towards short term contracts for older workers, with significant value attached to financial incentives to retain and motivate older workers. A structural change in the labour market context in which transformation and increased global challenges pose a unique risk to older workers. A situation described by Tempest and Coupland (2016) as particularly challenging for older workers.

Finally, there is debate in the literature on the merits of disengagement theory (Cumming & Henry, 1961) versus activity theory (Charles & Carstensen, 2010) with respect to older workers. The former would suggest that older workers would increasingly perceive their psychological contracts in economic terms only, whilst the latter would suggest a more social exchange orientated approach with older workers remaining active and investing in relationships at work. It is clear from the findings of this research that older workers perceive their contracts in relational terms, thereby supporting the activity theory approach as opposed to the disengagement approach to understanding the way in which older workers view their relationship with work. Attention will be given to the theoretical, methodological and practical contributions of the research in the next chapter. The next chapter will also outline the limitations of the research and make suggestions for future research.

6 CONCLUSION AND RECOMMENDATIONS

6.1 CONTRIBUTIONS OF THE RESEARCH

6.1.1 Theoretical Contribution

Scholars have suggested that idiosyncratic deals research can benefit by examining a broader range of outcomes (Liao et al., 2016). This research has answered that call by finding strong evidence to support a relationship between idiosyncratic deals and psychological contract fulfilment for older workers. However, in addition this research has potentially also found evidence to support an important defining characteristic of idiosyncratic deals, namely that they are mutually beneficial to the organisation and the individual (Rousseau et al., 2006). The findings of this research therefore close a gap in the literature (Liao et al., 2016) and provides support for the construct validity of idiosyncratic deals.

As discussed in the problem statement, a call has been made in the literature for greater elucidation of the mechanism through which idiosyncratic deals exert their influence on outcomes. The results of this research show that idiosyncratic deals do not exert their influence on psychological contract through a sense of obligation to reciprocate as suggested by the norm of reciprocity (Gouldner, 1960). This is an important finding that builds on the argument of a more complex relationship existing between idiosyncratic deals and outcomes.

This is the first research on idiosyncratic deals and older workers to provide an explanation for the mixed results in the idiosyncratic deals literature created by the predominant social exchange theoretical lens that has been used to date. This research makes the argument for the influence of entitlement on obligation as an explanation for the mixed results in the idiosyncratic deals literature and as an explanation for why idiosyncratic deals may not always generate reciprocity (Liao et al., 2016).

Then, in line with activity theory, and in direct opposition to disengagement theory, this research has shown that idiosyncratic deals exert their influence on psychological contract fulfilment through high-quality exchange relationships and not through low-quality exchange relationships. The findings of this research support the findings of Anand et al. (2010) who conclude that employers benefit from developing high quality exchange relationships and affirm the importance of employment relationship quality to older workers (Armstrong-Stassen, 2008; Bal et al., 2012)

6.1.2 Methodological Contribution

The main methodological contribution of this research is the validation of idiosyncratic deals as a second order construct reflective of four first order constructs and the subsequent use of this second order construct as part of the conceptual model and overall research design. This contribution is in line with a recent meta-analysis of idiosyncratic deals research by Liao et al. (2016) who make the argument for the suitability of this approach whilst also highlighting the gap in literature as most of the research on idiosyncratic deals have chosen a methodology to measure one or in some instances two types of idiosyncratic deals being examined by each of its contents separately. An exception was the research on older workers and idiosyncratic deals and older workers by Bal et al. (2016), however, despite gathering data on all four types, each was tested independently. This approach was well suited to answering their research question.

6.1.3 Practical Contribution

Whilst Bal et al. (2012) found that idiosyncratic deals play an important role in encouraging older workers to continue working beyond retirement, this research has shown that idiosyncratic deals positively influence psychological contract fulfilment for older workers. However, the mechanism through which their effect occurs is contingent upon a high-quality exchange relationship. The effect of idiosyncratic deals in a low-quality exchange relationship does not influence psychological contract fulfilment.

This is an important practical contribution to the literature on idiosyncratic deals and older workers as organisations may intentionally or unintentionally view their older workers in short term time horizons and over-estimate the value of financial incentives to retain and motivate them. The granting of idiosyncratic deals to older workers who perceive that they are in a low-quality exchange relationship will not lead to psychological contract fulfilment.

In addition, idiosyncratic deals for older workers does not work through obligation and organisations cannot rely on the granting of idiosyncratic deals as a “golden bullet” that will engender feelings of obligation that leads to psychological contract fulfilment. For an organisation to ensure that idiosyncratic deals are effective, they must ensure that they create an environment in which their older workers sense a presence of interpersonal concern with a long-term time horizon characterised as a high-quality exchange relationship.

This is an important finding as the percentage of older workers in the workforce will increase in the future and as such will become an increasingly important resource for organisations (Wang & Schultz, 2010) and organisations require new tools to motivate their older workers to remain in the workforce (Bal et al., 2012). In addition, idiosyncratic deals come with cost and an element of risk to the organisation such as co-worker reprisal and as such the cost versus reward evaluation that should be carefully considered before granting them to older workers and especially if those older workers consider their exchange relationship in low-quality terms.

And, whilst most of the research on idiosyncratic deals has been done in a developed market context, with a favourable labour market context for older workers, this is the first research to test their effectiveness in a developing market context. The South African market context in which this research was set, extended not only the utility of idiosyncratic deals for older workers but also provided a unique insight into the value of employment relationship for older workers.

Finally, the literature is silent on the importance of explaining the reason for granting an older worker an idiosyncratic deal. A practical concern is that if an older worker perceives that idiosyncratic deals were granted as a reward that this may increase the level of entitlement and therefore negatively affect outcomes. Conversely, if an older worker perceives the granting of idiosyncratic deals as an inducement for a future return that this may increase the level of obligation and positively influence outcomes. This research has shown that perceptions for the reason an idiosyncratic deal was granted to an older worker has no influence on obligation or entitlement.

6.2 RECOMMENDATIONS

6.2.1 Future Research

Future research could expand on the relationship between entitlement and obligation. The mechanism is no doubt complex with factors such as timing and context playing a role. Attention could be given to group level influences on obligation and entitlement such as within group age differences and within group age similarity. Future research could also consider using the four first order constructs to assess if one or more has a greater positive or negative influence on obligation and entitlement.

In addition, whilst this research found no relationship between reward or inducement on the relationship between idiosyncratic deals and psychological contract fulfilment, future research could seek to understand why this may be the case. Future studies could also consider a longitudinal design, where changes in entitlement and obligation are measured. This research only considered idiosyncratic deals that were successfully negotiated. Future research may benefit from the influence of unsuccessful idiosyncratic deal negotiation and how they may impact on entitlement and obligation. Future research could also consider the idiosyncratic deals negotiation process. Consideration may be given to the length or difficulty of the process and whether this influences obligation or entitlement.

Whilst, this research considered older workers as one holistic group. Future research may consider the effectiveness of idiosyncratic deals for older workers who fall within two groups, those that have retired and who have subsequently been asked by their employer to return to work and older workers who have been asked by their employer to extend their working life beyond retirement. The comparisons with respect to perceptions of exchange quality as well as feelings of entitlement and obligation may build on the findings of this research and contribute to the better managing of an increasingly segmented environment for older workers.

Finally, researcher may benefit from conducting an analogous study on the mechanism through which idiosyncratic deals exert their influence on outcomes by focussing the same constructs on participants of different ages. The findings may shed light on the current academic discussion on entitlement, specifically the challenges that may result from different generations such as the emerging generation Y and the inevitable challenges they bring to organisations due to the magnitude of this cohort of workers (Laird et al., 2015).

6.3 LIMITATIONS OF THE RESEARCH

This research was purposely set within a rapidly changing labour market context for older workers. However, without a reliable way of calculating the size of the population of older workers, it was impossible to calculate a representative sample size. Therefore, I used previous studies on idiosyncratic deals as a guide for my sample size. I also relied on guidelines such as those put forward by Pallant (2006) for the minimum sample size to perform the selected statistical tests. The sample size of 350 for this study, exceeded both afore mentioned criteria. However, this may have limited the generalisability of the results. Future studies should seek to test these relationships in different contexts in order to validate the findings.

Then, a purposive sampling technique may also have introduced bias into the results and in so doing may also affect the generalisability of the findings. However, this needs to be considered in the context of any bias that may have entered the research by directing the research via the organisation. To this end, by directly tapping the individual, it may also have improved the quality of the outcomes as participants were free to answer honestly, without fear of reprisal from their employer. This is especially important given that psychological contract fulfilment represents the individual view of the promises fulfilled by their employer. Also, older workers are a minority group in South Africa, with limited employment opportunities.

Furthermore, whilst there is clear academic support for treating idiosyncratic deals as a general concept (Liao et al., 2016), with the various facets/ dimensions making up the idiosyncratic deal, it is not without trade-offs. However, the decision to use a second order construct was well suited to the research design. The risk of using a composite approach, is that each dimension is given the same weighting and, as such, may not accurately reflect the overall dimension accurately (Wayne et al., 2007). Future research may consider testing each of the sub dimensions of idiosyncratic deals separately.

In addition, the moderating variable of reward vs. inducement was binary and as such was subsequently recoded into a dummy variable. Therefore, each variable was not tested for their effect independently. Future research may consider, exploring these two variables in greater detail. Finally, a cross sectional research design prevents the rigorous testing of the causality underlying the various hypothesis. In addition, it only provides a snapshot in time and therefore cannot assess changes over time. Another limitation of a cross sectional design is that reverse causality between, for example obligation and idiosyncratic deals, cannot be ruled out. Future research studies may benefit from conducting longitudinal research to further examine changes in respect to variables introduced in this research.

6.4 CONCLUSION

This research validated idiosyncratic deals as a second order construct to determine if there is a relationship between idiosyncratic deals and psychological contract fulfilment. The findings show that a strong positive relationship exists. Importantly, the findings of this research reveal that a high-quality exchange relationship provides the mechanism through which this effect occurs. For older workers the granting of idiosyncratic deals in a low-quality exchange relationship will not lead to psychological contract fulfilment. This is an important contribution to the literature on older workers and the increasing migration towards short term, contract orientated roles. Obligation as suggested by norm of reciprocity as a central tenant of social exchange theory is not the mechanism through which idiosyncratic deals exert their influence on psychological contract fulfilment for older workers.

In addition, the research showed the positive direct influence of entitlement on obligation, suggesting that a more complex individual level relationship exists. The findings support the view of older workers as both actively involved with assisting of other people whilst at the same time also advocating their own self-interest (Hogan & Roberts, 2004). The findings of this research may provide an explanation for the mixed results that exists in the idiosyncratic deals literature. Finally, in establishing the relationship between idiosyncratic deals and psychological contract fulfilment, this research has filled a gap in the literature and contributed to the validity of the construct itself. Mutual benefit is a key defining feature of idiosyncratic deals that separates it from constructs such as favouritism and nepotism that empirical research was yet to establish.

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APPENDIX A

8 APPENDIX A – ABBREVIATIONS AND ACRONYMS

8.1 ABBREVIATIONS AND ACRONYMS

Table 1: Abbreviations used in this document

Abbreviation	Meaning
PCF	Psychological contract fulfilment
PC	Psychological contract
DEALS	Idiosyncratic deals
OCB	Organisational citizenship behaviour
BIC	Bayesian Information Criterion
CFI	Comparative Fit indices
TLI	Tucker Lewis Method
SRMR	Standardized Root Mean Square residual
OBL	Obligation
ENT	Entitlement
ID_TASK	Task flexibility
ID_SCHEDULE	Task Flexibility
ID_LOC	Location flexibility
CONT_	Contractual Psychological contracts
REL_	Relational Psychological contracts

APPENDIX B

9 APPENDIX B – CONSENT FORMS

9.1 CONSENT FORMS

Consent statement:

The purpose of this survey is to improve our understanding of the idiosyncratic work arrangements (also known as idiosyncratic deals) that have been granted you by your employer. An idiosyncratic deal is a voluntary, personalised arrangement of a nonstandard nature that is negotiated between an employee and his or her supervisor. Such arrangements are mutually beneficial to the employee and their organisation. Examples of idiosyncratic deals may include; adjustments in pay, assignment of different tasks, flexibility in work hours and work locations (for example working from home).

The following are key characteristics of idiosyncratic deals.

1. They are individually negotiated after the employee is on the job – not before being hired
2. The conditions that are negotiated are usually not available to everyone else that performs a similar job to you
3. The new arrangement is good for both the employee who negotiates the deal and the organisation. For example, the employee may receive a more manageable work schedule and the organisation would retain a valued employee
4. The new arrangement is negotiated based on the employee's contributions and preferences. For example, a high performing employee seeking new job tasks can negotiate for new responsibilities because of their contribution as a high performer

Your participation is voluntary, and you can withdraw at any time without penalty. All data will be kept confidential. If you have any concerns, please contact me or my supervisor/s. Our details are provided below.

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APPENDIX C

10 APPENDIX C – QUESTIONNAIRES

10.1 Psychological contract fulfilment

	Not at all	To some extent	To a large extent	Completely
My company have fulfilled their promises on opportunities for my promotion				
My company have fulfilled their promises on my remuneration				
My company have fulfilled their promises on offering me financial rewards other than salary				
My company have fulfilled their promises on the type of work I do				
My company have fulfilled their promises on the demands/pressures of my job				
My company have fulfilled their promises on the hours that I work				
I have personal control over my day to day work				
My company have fulfilled their promises on my job security and continuity of employment				
My company have fulfilled their promises on providing me with training				
My company have fulfilled their promises on my career development				
My company have fulfilled their promises on providing support for my personal problems				
My company have fulfilled their promises on providing support with problems at work				

10.2 Obligation

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I ought to spend more time helping others					
I ought to sacrifice my goals to help others reach their goals					
I feel obligated to contribute to the community					
I have a duty to help others where I can					
It is my duty to make the world a better place					
I owe a debt to society					
I owe my community for all that it has done for me					
I have a duty to attend various events in my community					
I should give up my lunch break to help someone at my job					

10.3 Entitlement

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I deserve to be happy					
I have the right not to be judged					
I deserve the respect of others					
I have a right to do a good job					
I deserve to be safe and protected from crime					
I deserve the best medical care possible					
People should listen to my opinions					
I deserve to have high self esteem					
I deserve to be successful					

10.4 Idiosyncratic deals

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Task and work responsibilities					
I have successfully asked for extra responsibilities that take advantage of the skills that I bring to the job					
At my request, my supervisor has assigned me tasks that better develop my skills					
I have negotiated with my supervisor for tasks that better fit my personality, skills and abilities					
My supervisor has offered me opportunities to take on desired responsibilities outside of my formal job requirements					
In response to my distinctive contributions, my supervisor has granted me more flexibility in how I complete my job					
Following my initial appointment, my supervisor assigned me to a desirable position that makes use of my unique abilities					
Schedule flexibility					
My supervisor considers my personal needs when making my work schedule					

At my request, my supervisor has accommodated my off the job demands when assigning my work hours

Outside of formal leave and sick time, my supervisor has allowed me to take time off to attend nonwork-related issues

Location flexibility

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

Because of my particular circumstances, my supervisor allows me to do work from somewhere other than the main office

Financial incentives

My supervisor/manager has ensured that my compensation arrangement (e.g hourly vs. salaried) meets my individual needs

Because of my unique skills and contributions, my supervisor/manager has created a compensation arrangement that is tailored to fit me

Beyond formal policies, my supervisor/manager has

raised my pay because of the exceptional contributions that I make to the organization

After my initial appointment, I negotiated with my supervisor/manager to develop a compensation plan that rewards my unique contributions

10.5 Reward vs. Inducement

Choose only one

I believe I was granted an idiosyncratic deal as a reward for my past contribution to the organisation

I believe I was granted an idiosyncratic deal as an inducement for a future return to the organisation

10.6 Contractual psychological contracts

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I work only the hours set out in my contract and no more					
My commitment to this organisation is defined by my contract					
My loyalty to this organisation is contract specific					
I prefer to work a strictly defined set of working hours					
I only carry out what is necessary to get the job done					
I do not identify with the organisation's goals					
I work to achieve the purely short-term goals of my job					
My job means more to me than just a means of paying the bills (reverse-coded)					
It is important to be flexible and to work irregular hours if necessary (reverse-coded)					

10.7 Relational psychological contracts

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I expect to grow in this organisation					
I feel part of a team in this organisation					
I have a reasonable chance of promotion if I work hard					
To me working for this organisation is like being a member of a family					
The organisation develops/rewards employees who work hard and exert themselves					
I expect to gain promotion in this company with length of service & effort to achieve goals					
I feel this company reciprocates the effort put in by its employees					
My career path in the organisation is clearly mapped out					
I am motivated to contribute 100% to this company in return for future employment benefits					

10.8 Test of Normality

	Tests of Normality					
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
PCF1	.231	350	.000	.865	350	.000
PCF2	.245	350	.000	.864	350	.000
PCF3	.220	350	.000	.831	350	.000
PCF4	.187	350	.000	.864	350	.000
PCF5	.209	350	.000	.875	350	.000
PCF6	.242	350	.000	.833	350	.000
PCF7	.221	350	.000	.852	350	.000
PCF8	.207	350	.000	.851	350	.000
PCF9	.214	350	.000	.875	350	.000
PCF10	.227	350	.000	.873	350	.000
PCF11	.216	350	.000	.869	350	.000
PCF12	.263	350	.000	.865	350	.000
ENT1	.391	350	.000	.634	350	.000
ENT2	.259	350	.000	.802	350	.000
ENT3	.308	350	.000	.734	350	.000
ENT4	.433	350	.000	.564	350	.000
ENT5	.481	350	.000	.465	350	.000
ENT6	.437	350	.000	.571	350	.000
ENT7	.254	350	.000	.844	350	.000
ENT8	.277	350	.000	.746	350	.000
ENT9	.286	350	.000	.756	350	.000
OBL1	.263	350	.000	.860	350	.000
OBL2	.221	350	.000	.896	350	.000
OBL3	.278	350	.000	.836	350	.000
OBL4	.317	350	.000	.731	350	.000
OBL5	.276	350	.000	.780	350	.000
OBL6	.183	350	.000	.911	350	.000
OBL7	.166	350	.000	.913	350	.000
OBL8	.203	350	.000	.905	350	.000
OBL9	.214	350	.000	.903	350	.000
ID_TASK1	.328	350	.000	.822	350	.000
ID_TASK2	.297	350	.000	.854	350	.000
ID_TASK3	.225	350	.000	.900	350	.000
ID_TASK4	.269	350	.000	.880	350	.000
ID_TASK5	.287	350	.000	.862	350	.000
ID_TASK6	.255	350	.000	.878	350	.000
ID_SCH1	.201	350	.000	.908	350	.000
ID_SCH2	.187	350	.000	.907	350	.000

ID_SCH3	.261	350	.000	.874	350	.000
ID_LOC1	.179	350	.000	.905	350	.000
ID_LOC2	.198	350	.000	.898	350	.000
ID_FIN1	.165	350	.000	.911	350	.000
ID_FIN2	.208	350	.000	.897	350	.000
ID_FIN3	.232	350	.000	.876	350	.000
ID_FIN4	.219	350	.000	.880	350	.000
CONT_PC1	.289	350	.000	.746	350	.000
CONT_PC2	.276	350	.000	.847	350	.000
CONT_PC3	.303	350	.000	.829	350	.000
CONT_PC4	.287	350	.000	.839	350	.000
CONT_PC5	.298	350	.000	.717	350	.000
CONT_PC6	.278	350	.000	.778	350	.000
CONT_PC7	.295	350	.000	.772	350	.000
CONT_PC8	.273	350	.000	.732	350	.000
CONT_PC9	.275	350	.000	.708	350	.000
REL_PC1	.249	350	.000	.820	350	.000
REL_PC2	.275	350	.000	.821	350	.000
REL_PC3	.160	350	.000	.909	350	.000
REL_PC4	.239	350	.000	.882	350	.000
REL_PC5	.206	350	.000	.904	350	.000
REL_PC6	.167	350	.000	.916	350	.000
REL_PC7	.201	350	.000	.903	350	.000
REL_PC8	.167	350	.000	.914	350	.000
REL_PC9	.241	350	.000	.879	350	.000
REWA_INDUC	.354	350	.000	.636	350	.000
Reverse score	.273	350	.000	.732	350	.000

10.9 Construct Validity and Reliability for Original Model

Constructs and items	Estimate	S.E. Est.	p-value	t-value	AVE	Composite reliability	Cronbach alpha
Psychological fulfilment					0.443	0.904	0.902
PCF1	0.697*	0.025	0.0001	28.236			
PCF2	0.677*	0.023	0.0001	29.647			
PCF3	0.545*	0.033	0.0001	16.304			
PCF4	0.749*	0.019	0.0001	38.992			
PCF5	0.740*	0.019	0.0001	39.679			
PCF6	0.591*	0.03	0.0001	19.842			
PCF7	0.546*	0.032	0.0001	17.013			
PCF8	0.541*	0.032	0.0001	16.953			
PCF9	0.633*	0.026	0.0001	24.528			
PCF10	0.738*	0.02	0.0001	37.067			
PCF11	0.678*	0.024	0.0001	28.148			
PCF12	0.791*	0.017	0.0001	46.872			
Obligation					0.384	0.846	0.840
OBL1	0.450*	0.038	0.0001	11.804			
OBL2	0.533*	0.034	0.0001	15.619			
OBL3	0.636*	0.03	0.0001	21.369			
OBL4	0.615*	0.03	0.0001	20.462			
OBL5	0.580*	0.03	0.0001	19.017			
OBL6	0.705*	0.024	0.0001	29.565			
OBL7	0.741*	0.021	0.0001	34.638			
OBL8	0.697*	0.027	0.0001	25.433			
OBL9	0.565*	0.037	0.0001	15.187			
Entitlement					0.463	0.885	0.877
ENT1	0.655*	0.038	0.0001	17.07			
ENT2	0.647*	0.028	0.0001	23.504			
ENT3	0.748*	0.022	0.0001	33.476			
ENT4	0.709*	0.033	0.0001	21.554			
ENT5	0.595*	0.047	0.0001	12.59			
ENT6	0.642*	0.042	0.0001	15.291			
ENT7	0.602*	0.033	0.0001	18.034			

ENT8	0.752*	0.023	0.0001	32.269			
ENT9	0.750*	0.034	0.0001	21.897			
Task					0.481	0.847	0.847
ID_TASK1	0.649*	0.03	0.0001	21.577			
ID_TASK2	0.710*	0.026	0.0001	26.921			
ID_TASK3	0.622*	0.039	0.0001	16.143			
ID_TASK4	0.68*	0.034	0.0001	19.895			
ID_TASK5	0.763*	0.021	0.0001	35.917			
ID_TASK6	0.728*	0.029	0.0001	24.755			
Schedule					0.563	0.792	0.773
ID_SCH1	0.769*	0.023	0.0001	32.779			
ID_SCH2	0.833*	0.019	0.0001	42.724			
ID_SCH3	0.635*	0.035	0.0001	17.985			
Location					0.805	0.892	0.891
ID_LOC1	0.923*	0.017	0.0001	53.572			
ID_LOC2	0.871*	0.021	0.0001	41.78			
Financial					0.624	0.868	0.868
ID_FIN1	0.807*	0.023	0.0001	35.419			
ID_FIN2	0.857*	0.018	0.0001	46.507			
ID_FIN3	0.795*	0.021	0.0001	37.744			
ID_FIN4	0.692*	0.031	0.0001	22.516			
CONTRACT					0.525	0.771	0.827
CONT_PC1	0.730*	0.027	0.0001	26.641			
CONT_PC2	0.726*	0.024	0.0001	30.121			
CONT_PC3	0.722*	0.025	0.0001	28.649			
CONT_PC4	0.720*	0.027	0.0001	26.655			
CONT_PC5	0.653*	0.038	0.0001	17.359			
CONT_PC6	0.379*	0.048	0.0001	7.983			
CONT_PC7	0.594*	0.047	0.0001	12.63			
CONT_PC8_R	0.272*	0.042	0.0001	6.451			
CONT_PC9_R	0.405*	0.044	0.0001	9.213			
RELATION					0.436	0.888	0.890
REL_PC1	0.376*	0.038	0.0001	9.943			
REL_PC2	0.717*	0.023	0.0001	31.068			
REL_PC3	0.763*	0.02	0.0001	37.261			
REL_PC4	0.711*	0.026	0.0001	27.293			

REL_PC5	0.8*	0.018	0.0001	44.759
REL_PC6	0.677*	0.028	0.0001	23.926
REL_PC7	0.845*	0.016	0.0001	52.661
REL_PC8	0.716*	0.026	0.0001	27.211
REL_PC9	0.497*	0.039	0.0001	12.817

10.10 Construct Validity and Reliability for Re-Estimated Measurement Model

Constructs and items	Estimate	S.E. Est.	p-value	t-value	AVE	Composite reliability	Cronbach Alpha
Psychological fulfilment					0.583	0.847	0.843
PCF1	0.717	0.031	0.0001	23.09			
PCF2	0.747	0.025	0.0001	29.766			
PCF4	0.850	0.022	0.0001	38.26			
PCF5	0.732	0.029	0.0001	25.404			
Obligation					0.628	0.834	0.828
OBL6	0.791	0.027	0.0001	29.58			
OBL7	0.886	0.027	0.0001	32.243			
OBL8	0.689	0.034	0.0001	20.053			
Entitlement					0.508	0.860	0.851
ENT2	0.656	0.032	0.0001	20.494			
ENT3	0.781	0.027	0.0001	29.216			
ENT4	0.667	0.043	0.0001	15.473			
ENT7	0.64	0.038	0.0001	16.734			
ENT8	0.773	0.026	0.0001	29.398			
ENT9	0.746	0.043	0.0001	17.519			
Task					0.511	0.806	0.810
ID_TASK2	0.632	0.037	0.0001	16.876			
ID_TASK4	0.673	0.04	0.0001	16.978			
ID_TASK5	0.819	0.023	0.0001	35.131			
ID_TASK6	0.722	0.034	0.0001	21.545			
Schedule					0.563	0.793	0.773
ID_SCH1	0.758	0.028	0.0001	26.614			
ID_SCH2	0.837	0.023	0.0001	37.117			
ID_SCH3	0.644	0.04	0.0001	16.164			
Location					0.805	0.892	0.891
ID_LOC1	0.925	0.02	0.0001	47.017			
ID_LOC2	0.869	0.025	0.0001	35.084			
Financial					0.624	0.868	0.868
ID_FIN1	0.805	0.026	0.0001	30.455			

ID_FIN2	0.858	0.02	0.0001	43.009			
ID_FIN3	0.797	0.023	0.0001	35.253			
ID_FIN4	0.69	0.041	0.0001	16.747			
CONTRACT					0.539	0.817	0.830
CONT_PC1	0.608	0.041	0.0001	14.763			
CONT_PC2	0.91	0.023	0.0001	39.591			
CONT_PC3	0.823	0.029	0.0001	28.158			
CONT_PC4	0.529	0.044	0.0001	12.038			
RELATION					0.509	0.881	0.885
REL_PC3	0.678	0.032	0.0001	21.485			
REL_PC4	0.747	0.026	0.0001	28.59			
REL_PC5	0.67	0.035	0.0001	19.277			
REL_PC6	0.829	0.02	0.0001	40.572			
REL_PC7	0.644	0.036	0.0001	18.028			
REL_PC8	0.872	0.016	0.0001	52.875			

10.11 Discriminant Validity for Re-Estimated Measurement Model

Constructs	PCF	Obligation	Entitlement	Task	Schedule	Location	Financial	Contractual	Relational
PCF	0.763								
Obligation	0.013	0.793							
Entitlement	-0.118	0.198	0.713						
Task	0.501	0.205	0.052	0.715					
Schedule	0.520	0.194	-0.085	0.811	0.751				
Location	0.415	0.087	-0.053	0.689	0.736	0.897			
Financial	0.547	0.142	-0.074	0.651	0.751	0.672	0.790		
Contractual	-0.162	0.131	0.21	-0.256	-0.131	-0.25	-0.138	0.734	
Relational	0.583	0.174	-0.009	0.633	0.616	0.483	0.679	-0.024	0.713

Note: Square root of the average of the diagonal

10.12 Total Variance Explained

Total Variance Explained						
Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.888	27.467	27.467	9.479	26.331	26.331
2	4.243	11.787	39.254	3.805	10.568	36.899
3	2.603	7.230	46.484	2.185	6.069	42.968
4	2.102	5.838	52.322	1.729	4.804	47.772
5	1.882	5.226	57.549	1.476	4.101	51.873
6	1.514	4.205	61.754	1.130	3.138	55.010
7	1.302	3.617	65.371	.903	2.507	57.518
8	.960	2.666	68.037			
9	.757	2.101	70.138			
10	.740	2.056	72.194			
11	.702	1.950	74.144			
12	.661	1.835	75.979			
13	.650	1.806	77.785			
14	.600	1.667	79.451			
15	.550	1.528	80.979			
16	.521	1.447	82.426			
17	.507	1.408	83.834			
18	.491	1.364	85.198			
19	.471	1.309	86.507			
20	.448	1.243	87.751			
21	.410	1.139	88.889			
22	.406	1.127	90.016			
23	.381	1.058	91.074			
24	.331	.920	91.993			
25	.327	.907	92.901			
26	.316	.877	93.778			
27	.307	.854	94.632			
28	.284	.788	95.419			
29	.265	.737	96.156			
30	.258	.716	96.872			
31	.238	.660	97.532			

32	.217	.604	98.136
33	.196	.545	98.680
34	.170	.473	99.153
35	.164	.454	99.608
36	.141	.392	100.000

Extraction Method: Principal Axis Factoring.

10.13 Standardized estimates in the structural model

Path		Standardized Estimate	S.E. Est.	p-value	t-value	Result
Idiosyncratic deals	→ Task and work responsibilities	0.854	0.022	0.0001***	38.759	Significant
Idiosyncratic deals	→ Schedule flexibility	0.917	0.020	0.0001***	45.053	Significant
Idiosyncratic deals	→ Location flexibility	0.784	0.025	0.0001***	30.827	Significant
Idiosyncratic deals	→ Financial incentives	0.835	0.025	0.0001***	33.511	Significant
Idiosyncratic deals	→ Psychological fulfilment	0.308	0.077	0.0001***	3.994	Significant
Obligation	→ Psychological fulfilment	-0.101	0.050	0.043**	-2.020	Significant
Entitlement	→ Obligation	0.246	0.053	0.0001***	4.675	Significant
Entitlement	→ Psychological fulfilment	-0.044	0.051	0.388	-0.863	Not significant
Contractual	→ Psychological fulfilment	-0.066	0.055	0.227	-1.207	Not significant
Relational	→ Psychological fulfilment	0.373	0.069	0.0001***	5.400	Significant
Idiosyncratic deals	→ Obligation	0.175	0.063	0.005***	2.783	Significant
Idiosyncratic deals	→ Entitlement	0.001	0.054	0.987	0.017	Not significant
Idiosyncratic deals	→ Contract	-0.199	0.068	0.004***	-2.914	Significant
Idiosyncratic deals	→ Relational	0.716	0.036	0.0001***	19.792	Significant

Structural paths for gender and age

Age	→	Psychological fulfilment	0.074	0.043	0.089*	1.703	Significant
Gender	→	Psychological fulfilment	0.046	0.046	0.320	0.995	Not significant
Age	→	Obligation	0.087	0.047	0.064*	1.853	Significant
Gender	→	Obligation	0.106	0.050	0.034**	2.116	Significant
Age	→	Entitlement	-0.126	0.050	0.012**	-2.520	Significant
Gender	→	Entitlement	-0.249	0.048	0.0001***	-5.171	Significant
Age	→	Contractual	0.045	0.048	0.343	0.947	Not significant
Gender	→	Contractual	-0.014	0.046	0.765	-0.299	Not significant
Age	→	Relational	-0.040	0.036	0.269	-1.106	Not significant
Gender	→	Relational	-0.033	0.036	0.364	-0.908	Not significant

Covariates included in the model

Obligation	and	Relational	0.062	0.060	0.305	1.026	Not significant
Contractual	and	Entitlement	0.244	0.046	0.0001***	4.899	Significant
Age	and	Idiosyncratic deals	0.098	0.053	0.065*	1.848	Significant
Gender	and	Idiosyncratic deals	0.153	0.051	0.003**	3.008	Significant
Age	and	Gender	0.009	0.047	0.850	0.189	Not significant

10.14 Codes used for each of the constructs

Psychological contract fulfilment	
My company have fulfilled their promises on opportunities for my promotion	PCF1
My company have fulfilled their promises on my remuneration	PCF2
My company have fulfilled their promises on offering me financial rewards other than salary	PCF3
My company have fulfilled their promises on the type of work I do	PCF4
My company have fulfilled their promises on the demands/pressures of my job	PCF5
My company have fulfilled their promises on the hours that I work	PCF6
I have personal control over my day to day work	PCF7
My company have fulfilled their promises on my job security and continuity of employment	PCF8
My company have fulfilled their promises on providing me with training	PCF9
My company have fulfilled their promises on my career development	PCF10
My company have fulfilled their promises on providing support for my personal problems	PCF11
My company have fulfilled their promises on providing support with problems at work	PCF12

Obligation	
I ought to spend more time helping others	OBL1
I ought to sacrifice my goals to help others reach their goals	OBL2
I feel obligated to contribute to the community	OBL3
I have a duty to help others where I can	OBL4
It is my duty to make the world a better place	OBL5
I owe a debt to society	OBL6
I owe my community for all that it has done for me	OBL7
I have a duty to attend various events in my community	OBL8
I should give up my lunch break to help someone at my job	OBL9

Entitlement

I deserve to be happy	ENT1
I have the right not to be judged	ENT2
I deserve the respect of others	ENT3
I have a right to do a good job	ENT4
I deserve to be safe and protected from crime	ENT5
I deserve the best medical care possible	ENT6
People should listen to my opinions	ENT7
I deserve to have high self esteem	ENT8
I deserve to be successful	ENT9

Task and work responsibilities

I have successfully asked for extra responsibilities that take advantage of the skills that I bring to the job	ID_TASK1
At my request, my supervisor has assigned me tasks that better develop my skills	ID_TASK2
I have negotiated with my supervisor for tasks that better fit my personality, skills and abilities	ID_TASK3
My supervisor has offered me opportunities to take on desired responsibilities outside of my formal job requirements	ID_TASK4
In response to my distinctive contributions, my supervisor has granted me more flexibility in how I complete my job	ID_TASK5
Following my initial appointment, my supervisor assigned me to a desirable position that makes use of my unique abilities	ID_TASK6

Schedule flexibility

My supervisor considers my personal needs when making my work schedule	ID_SCH1
At my request, my supervisor has accommodated my off the job demands when assigning my work hours	ID_SCH2
Outside of formal leave and sick time, my supervisor has allowed me to take time off to attend nonwork-related issues	ID_SCH3

Location flexibility

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	ID_LOC1
Because of my particular circumstances, my supervisor allows me to do work from somewhere other than the main office	ID_LOC2

Financial incentives

My supervisor/manager has ensured that my compensation arrangement (e.g hourly vs. salaried) meets my individual needs	ID_FIN1
Because of my unique skills and contributions, my supervisor/manager has created a compensation arrangement that is tailored to fit me	ID_FIN2
Beyond formal policies, my supervisor/manager has raised my pay because of the exceptional contributions that I make to the organization	ID_FIN3
After my initial appointment, I negotiated with my supervisor/manager to develop a compensation plan that rewards my unique contributions	ID_FIN4

Contractual psychological contracts

I work only the hours set out in my contract and no more	CONT_PC1
My commitment to this organisation is defined by my contract	CONT_PC2
My loyalty to this organisation is contract specific	CONT_PC3
I prefer to work a strictly defined set of working hours	CONT_PC4
I only carry out what is necessary to get the job done	CONT_PC5
I do not identify with the organisation's goals	CONT_PC6
I work to achieve the purely short-term goals of my job	CONT_PC7
My job means more to me than just a means of paying the bills (reverse-coded)	CONT_PC8
It is important to be flexible and to work irregular hours if necessary (reverse-coded)	CONT_PC9

Relational psychological contracts

I expect to grow in this organisation	REL_PC1
I feel part of a team in this organisation	REL_PC2
I have a reasonable chance of promotion if I work hard	REL_PC3

To me working for this organisation is like being a member of a family	REL_PC4
The organisation develops/rewards employees who work hard and exert themselves	REL_PC5
I expect to gain promotion in this company with length of service & effort to achieve goals	REL_PC6
I feel this company reciprocates the effort put in by its employees	REL_PC7
My career path in the organisation is clearly mapped out	REL_PC8
I am motivated to contribute 100% to this company in return for future employment benefits	REL_PC9

Reward vs. Inducement

I believe I was granted an idiosyncratic deal as a reward for my past contribution to the organisation	REWA_INDUC
I believe I was granted an idiosyncratic deal as an inducement for a future return to the organisation	REWA_INDUC

10.15 Estimated correlation matrix

ESTIMATED CORRELATION MATRIX FOR THE LATENT VARIABLES										
	PCF	OBLIGATION	ENTITLEMENT	TASK	SCHEDULE	LOCATION	FINANCIAL	CONTRACT PC	RELATIONAL PC	DEALS
PCF	1									
OBLIGATION	0.018	1								
ENTITLEMENT	0.125	0.199	1							
TASK	0.501	0.162	-0.04	1						
SCHEDULE	0.534	0.173	-0.043	0.789	1					
LOCATION	0.456	0.147	-0.036	0.674	0.718	1				
FINANCIAL	0.483	0.156	-0.039	0.715	0.762	0.651	1			
CONTRACT PC	-0.19	0.006	0.216	-0.17	-0.182	-0.155	-0.164	1		
RELATIONAL PC	0.589	0.169	-0.033	0.608	0.648	0.554	0.587	-0.14	1	
DEALS	0.582	0.188	-0.046	0.86	0.917	0.783	0.831	-0.198	0.707	1