

When negotiations about job content fail

Manuela Morf¹
University of Lucerne

Anrold B. Bakker
Erasmus University

Anja Feierabend
University of Lucerne

To meet the flexibility demands of markets and foster employees' motivation, organizations are increasingly using human resource practices that allow for individualization. In line with this trend is the broader use of task-related idiosyncratic deals (i.e., i-deals). Task-related i-deals are personalized work arrangements (e.g., being assigned more challenging tasks) negotiated between individual employees and their organizations. So far, the majority of research has focused on beneficial reactions of employees having task-related i-deals (e.g., higher performance). However, in order to have i-deals, employees need first to ask for and negotiate the desired i-deals. Not every employee who asks for i-deals is successful in negotiating and receiving them.

To better understand potential downsides of institutionalizing task-related i-deals, we explore organizational cynicism as potential consequence of unsuccessful i-deal negotiations. Organization cynicism is a negative attitude towards the organization and has severe implications (e.g., lower commitment and performance). In addition, because negotiations about task-related i-deals usually take place between employees and direct supervisors, we also examine the role of supervisors in determining the success of task-related i-deal negotiations. Specifically, drawing on social exchange theory, we propose that low-quality supervisor-employee relationships (i.e., LMX) are more likely to result in unsuccessful task-related i-deal negotiations and consequently may provoke higher organizational cynicism.

To test our model, we analyzed three waves of data from 202 bankers who had requested task-related i-deals in the investigated business cycle. The results of our structural equation model supported a negative indirect relationship between organizational cynicism and LMX through success of task-related i-deal negotiations. In other words, we identified success of task-related i-deal negotiations as a mediator explaining how LMX translates into organizational cynicism. Overall, our findings emphasize the importance of strong leadership skills in order to reduce negative side effects when organizations use task-related i-deals.

¹ Center for Human Resource Management, Faculty of Economics and Management, University of Lucerne, Frohburgstrasse 3, P.O. Box 4466, 6002 Luzern, Switzerland, +41 41 229 58 61, manuela.morf@unilu.ch