

The Impact of Idiosyncratic Deals on Creativity: Based on Self-Categorization Theory

Qilun Cai^{1,*}

¹School of Education, Guizhou Normal University, Guiyang, China

*Correspondence: Qilun Cai (233208870@qq.com)

Abstract: Idiosyncratic deals has become a more and more popular human resource management practice, which is particularly important to stimulate employees' creativity. This paper shows that the idiosyncratic deals has a positive impact on creativity, and the perceived insider status mediates the relationship between the idiosyncratic deals and creativity; Psychological safety positively moderates the relationship between idiosyncratic deals and perceived insider status, and further moderates the mediating role of perceived insider status. Therefore, this study suggests that enterprises should make full use of the "non-standard" characteristics of idiosyncratic deals to give play to the heterogeneous talents of employees, and at the same time, enhance the sense of psychological safety to help employees bravely put forward new ideas and methods to promote creativity.

Keywords: Idiosyncratic deals, Psychological safety, Perceived insider status, Creativity.

1. Introduction

Creativity, as a new idea of products, processes and services [1], is crucial for organizations to maintain long-term competitiveness in today's rapidly changing business environment. Therefore, how to stimulate the internal motivation of employees, encourage them to give full play to their subjective initiative, and improve the creativity of employees is an urgent problem for modern enterprises. In recent years, Rousseau found that in work, employees and employers will develop a new working method based on negotiation between them—idiosyncratic deals(I-deals) [2], such as flexible working at home, providing personalized working environment for valuable employees, meeting employees' diversified career demands, and so on. Previous studies have shown that this non-standardized and customized working method can effectively improve employees' self-efficacy [3], as well as play an important role in meeting individual internal needs [4], which provides a new theoretical breakthrough for further analysis of how to improve employees' creativity.

However, previous studies have mostly interpreted the role of I-deals on creativity from the perspective of social exchange theory or self-determination theory, ignoring the impact of this emerging form of work on employees from the perspective of employee-organization relationship by placing individuals in the context of organization [5]. In fact, each individual does not exist in isolation, especially under the atmosphere of local differential order pattern and family based chinese culture, individuals attach great importance to their insider identity in the organization [6]. As a self-concept, the identity characteristics formed by self-categorization represent the cognitive consciousness of individuals who perceive that they belong to a group. This self identity can be described by personal identity and social identity [7]. When personal identity is significant (that is, the degree of social identity is low), individuals are more inclined to think that they are unique individuals, do not belong to any group, and are more willing to follow their personal values than other individuals. When social identity is significant (i.e. social identity is high), people tend to define themselves as group

members, and are more willing to act in accordance with the norms and goals of the group and strive to make the behavior expected by the organization. While the confirmation of personal identity or social identity is often affected by external clues [8]. Self-categorization theory clearly points out that the reason why individuals can improve social identity is mainly due to two motives: self enhancement and uncertainty reduction.

Specifically, when individuals classify themselves into a group, on the one hand, I hope to go to a higher level and further improve in this collective; On the other hand, it is hoped that their own behavior is consistent with the behavior of members in the group, so as to reduce the uncertainty of their own behavior. Considering that I-deals are not normal [9], individuals who can reach I-deals with the organization are employees who are valuable to the organization. Such employees will be easier to get the recognition and support of their superiors, promote them to exercise their personal skills in the process of completing I-deals, stimulate their internal motivation of self enhancement, and then promote their self categorization, define yourself by the identity characteristics of insider status. Employees with a perceived insider status are more likely to focus on the organization, devote more time and energy to things beneficial to the organization, and actively enhance creativity to achieve or even exceed the performance expected by the organization. Therefore, perceived insider status may serve as an important mediating role between I-deals and creativity.

At the same time, because the I-deals has the characteristics of high cost and unconventional, the superior will only sign this special work arrangement with the core members with high value. Employees who are qualified to sign I-deals will enjoy a higher position in the organization, have a closer relationship with their superiors and have more organizational resources. However, the wing would break the tallest tree. The I-deals will not only bring better development opportunities to these employees, but also bring negative effects. For example, it will cause colleagues' jealousy or promote employees' perception of the competitive climate and potential threats, leading to the exclusion and resignation of employees who sign the contract [10], which will increase

employees' uncertainty to a certain extent, and hinder the process of self categorization and the improvement of creativity. Therefore, if the superior can take measures to increase the employees' psychological safety, so that employees will not feel excluded and threatened in the organization when completing the I-deals, it will be conducive to meet the employees' internal motivation of uncertainty reduction, promote positive self categorization, and promote their perceived insider status. Therefore, it is inferred that, As an important motivation to reduce uncertainty in the process of self categorization, psychological safety may be an important moderating role in the process.

To sum up, this paper aims to explore the relationship between I-deals and creativity. Firstly, on the basis of existing research, this paper discusses the positive relationship between I-deals and creativity. Secondly, based on the perspective of employees' individual self categorization, the self-categorization theory is introduced. From the two motivations of self categorization, namely, self enhancement (I-deals) and uncertainty reduction (psychological safety), it emphasizes the process of employees' self categorization under the catalysis of this motivation, that is, the generation of perceived insider status and the positive impact on subsequent employees' creativity, It provides a richer theoretical and practical implication for the research field of creativity.

2. Literature Review and Hypothesis Deduction

2.1. I-deals and creativity

As a new non-standard working method, idiosyncratic deals (I-deals) is a new incentive mode with specific customized characteristics, which is voluntarily signed by both employees and employers through negotiation². Employees can spontaneously negotiate with their superiors, flexibly negotiate working hours with employers according to their actual situation, task types that can give full play to their talents, and work opportunities that are conducive to professional development [11]. However, unlike cronyism and favoritism, the purpose of I-deals is not to seek personal gains for individuals, but to benefit the organization while giving full play to the potential of subordinates, so as to achieve mutual benefit and win-win results. In view of the characteristics of I-deals, which can stimulate personal potential, solve employees' overcapacity, and meet individuals' aspirations for career development, it has become an important breakthrough in the study of employees' creativity.

Firstly, in the classic framework of creativity, amabile points out that intrinsic motivation, domain skills and creative skills are the three essential elements of creativity. Studies by many scholars have shown that I-deals, a work method tailored to individuals, is conducive to enhancing creativity by improving employees' intrinsic motivation, domain skills and creative skills. Specifically, first, due to the high cost and non-standard particularity of I-deals, employers often only sign with employees who can create more value for the organization. This way of working conveys a special signal, that is, the trust of superiors to subordinates, and that superiors attach importance to the employee and believe that he has the potential for further support and training [12-13]. Subordinates are conducive to stimulating their initiative after

sensing this trust and encouragement, Spontaneously complete the tasks assigned by the organization and improve the internal motivation. Second, the I-deals will provide employees with work tasks that are conducive to giving full play to their personal talents according to their personal needs. This targeted design is conducive to strengthening the domain skills and creative skills in the field of creativity and promoting them to explore new methods that can complete tasks efficiently. Third, the I-deals does not stipulate fixed working hours, places, etc., and will be based on the personal requirements of employees. It can pay more attention to the satisfaction of employees' internal expectations, and provide good opportunities for employees to improve their creativity.

Secondly, existing studies have shown that I-deals is an important antecedent variable of employees' self-efficacy, and self-efficacy plays an important role in stimulating creativity [14]. I-deals may stimulate employees' self-efficacy, make them believe that they have the courage and ability to innovate, and then stimulate the generation of creativity. Specifically, first of all, the unconventional work content of I-deals often encourages employees to actively explore new ideas and ways, help employees find more opportunities to acquire knowledge. With the accumulation of innovative ideas and innovative knowledge, employees will be more confident in dealing with thorny problems, which improve their innovative self-efficacy. In addition, I-deals are not normal. Only core employees with relatively high status among colleagues have the opportunity to obtain them. Employees who sign such agreements are often more valued by leaders and enjoy more resources, information and opportunities from their superiors and organizations. Driven by these external factors, individual self-efficacy will also improve, and ultimately promote the generation of creativity.

Finally, the flexible work arrangement in the I-deals can make employees more flexible in arranging their own time, reduce the time spent by employees on repeating inefficient work, let them focus on the tasks that need to improve innovation performance and work efficiency, and promote the maximization of benefits. Using more psychological resources obtained after relieving pressure for trying creative thinking has a positive role in promoting creativity. In addition, when employees can flexibly arrange their working hours and balance the relationship between work and family, they can be free from worries and have continuous motivation to innovate, which provides conditions for organizations to tap and cultivate high-quality human capital, so that enterprises have their own talent pool and constantly provide nourishment for creativity. Accordingly, this paper proposes the following hypothesis:

H1: I-deals positively affects creativity.

2.2. The mediating role of perceived insider status

As mentioned above, I-deals is a non-standard work arrangement customized according to the special requirements of employees, which can help organizations retain valuable employees. Because this kind of work agreement is not normal in the organization, it also reflects that the employees who sign the agreement have a high-quality exchange relationship with the employer or organization [15]. But it is different from psychological contract, social exchange theory and leader member exchange theory, I-deals describes the relationship between the organization and employees from a more concrete perspective,

so that employees can more specifically perceive the importance and affirmation of employers for their work.

Stamper et al proposed the concept of perceived insider status, which reflects the employee's self-evaluation, that is, the personal recognition of the employee in the organization. self-categorization theory believes that when superiors show supportive behaviors such as care and encouragement for subordinates and take measures to meet the intrinsic motivation of subordinates' self enhancement, it is conducive to promoting the process of subordinates' self categorization . At the same time, due to the particularity of I-deals, subordinates will feel the importance and differential treatment from the organization. Under the background of chinese internal and external differences corporate culture, it is more conducive for employees to regard themselves as the insiders of the organization, think about problems with the organization as the center, and devote more energy to work beneficial to the organization. Therefore, the I-deals, which symbolizes the good relationship between employees and the organization, undoubtedly plays an important role in promoting the generation of perceived insider status. On the one hand, employees who have the opportunity to sign I-deals with their superiors have a high-quality exchange relationship with the organization, which symbolizes the support and training of the organization, and is conducive to meeting the expectations of employees (for example, work tasks and development opportunities that can give better play to their personal abilities), To a large extent, this provides employees with a good opportunity to exercise their personal skills, promotes employees' continuous self enhancement, realizes their own value, and enhances organizational self-esteem [16], so that employees can make full use of their talents and talents, And then produce higher perceived insider status [17]; On the other hand, Hui et al believe that superior and organizational support is one of the key factors for subordinates to perceive the insider status. I-deals rely on the characteristics of high cost, low routine and personalization, and are an important means for organizations to retain core talents. Therefore, employees who can sign such agreements with their superiors have a higher quality exchange relationship with their superiors and can enjoy additional support and care from their superiors, They also enjoy a relatively higher position in the organization. This differential treatment is conducive to this part of employees to perceive the cultivation and attention from the organization, and obtain more promotion opportunities that take priority over others, so as to judge that they are insiders of the organization. Accordingly, this paper proposes the following hypothesis:

H2: I-deals positively affects perceived insider status.

The self-categorization theory further points out that perceived insider status is conducive to the accumulation of more positive emotional resources. This positive emotion in the workplace has a positive role in promoting employees' work attitude and behavior, prompting employees to actively undertake the tasks assigned by the organization, and even spontaneously seek innovative methods to exceed the organizational goals, Then it has a positive role in promoting the creativity of employees [18-19]. Accordingly, this paper proposes the following hypothesis:

H3: Perceived insider status mediates the positive relationship between I-deals and creativity, that is, I-deals will indirectly affect creativity through perceived insider status.

2.3. The moderating role of psychological safety

Psychological safety is an important concept of positive psychology, which refers to the perception that employees believe that their status, role and image will be justly evaluated when they express their views or show themselves in the workplace [20], emphasizing the organizational "safety atmosphere" that individuals perceive to encourage employees to take the initiative. Previous studies have mostly examined psychological safety from a group perspective, and less attention has been paid to the individual characteristics of psychological safety. Kahn believes that psychological safety is a psychological state that affects individual self-awareness and internal motivation. A higher psychological safety of employees often means that they will show higher proactive behavior [21]. Therefore, this paper focuses on psychological safety at the individual level, and describes the changes in the impact of superior subordinate interaction on employees' behavior when employees perceive psychological safety. This study believes that employees' perception of their own environment in the organization will affect their judgment of psychological safety, which plays a moderating role in the process of I-deals affecting perceived insider status and further affecting the improvement of employees' creativity.

Specifically, the I-deals negotiated by employers and employees plays an important role in improving the matching degree between employees and their jobs and promoting the professional development of employees. However, this unconventional contract will also bring negative effects, such as the perception of being excluded, leading to the resignation of employees, which increases the uncertainty of employees and affects their self categorization . Therefore, when psychological safety is high, it is conducive to further optimize the self enhancement effect of I-deals, strengthen the psychological connection between core employees and the organization, and stimulate employees' internal motivation to reduce uncertainty when individuals realize that they can freely express their opinions and take measures to express their true self without fear of exclusion, At this time, the I-deals will promote employees to actively classify themselves, take the initiative to classify themselves as the insiders of the organization. When psychological safety is low, they will feel the threat of the surrounding environment, their position in the organization will be excluded, and their words and behaviors will also lead to the conflict of others. At this time, the uncertainty of employees will increase, and there will be an estrangement from the organization. Therefore, the effect of I-deals on employees is weak, which is not conducive to employees active self categorization, This weakens employees' perceived insider status. Accordingly, the following assumptions are made in this paper:

H4: Psychological safety moderates the relationship between I-deals and perceived insider status, in other words, the higher the psychological safety, the stronger the positive effect of I-deals on perceived insider status.

When psychological safety is high, it means that the employee perceives that the external environment is safe, and his speech and behavior will not produce greater risks. At this time, when negotiating I-deals with their superiors, employees are more able to view this personalized work arrangement from the perspective of optimizing working methods, improving work efficiency and strengthening personal skills, and then after positive self categorization ,

they are more willing to invest more time and energy in the organization, clarify the direction of efforts, focus on goals and tasks, actively explore new ideas and methods to solve problems, and improve their creativity. When psychological safety is low, they will worry about whether the special treatment given by the organization and leaders to themselves will cause jealousy and exclusion of others, making the working atmosphere incompatible and the relationship between colleagues tense, which will make the interaction effect between employees and the organization worse, which is not conducive to the perceived insider status, and employees are also timid when dealing with work, Spending more psychological resources on dealing with the threats of the surrounding environment and getting along with colleagues may consume a lot of employees' motivation to actively explore and improve their creativity. To sum up, combined with H4, this paper puts forward the following assumptions:

H5: Psychological safety moderates the mediating effect of perceived insider status, which means the higher the Psychological safety, the stronger the indirect effect of I-deals on creativity through perceived insider status.

3. Research Significance

Firstly, pay attention to the real needs of subordinates and adopt non standardized new working methods to stimulate creativity. I-deals provides a new way of human resource management for leaders. Leaders can carry out personalized management according to the characteristics of employees, and promote employees' creativity. For example, for employees with special talents (hosting, singing, writing, etc.), on the basis of completing their own work, they can arrange tasks that can give full play to their special talents, such as public speaking, writing enterprise columns or hosting and program performance of the company's annual meeting. For employees who have the young children and the elderly to take care of at home, flexible working hours and places can be arranged for them, so that they can realize the balance between work and family. For creative employees, we need to provide them with more opportunities to cultivate inspiration. We can relax the working place and time appropriately. They can choose to work in coffee shops, art exhibitions and other places that are easy to inspire their inspiration, and adopt the result oriented assessment method for them. In a word, we can give full play to their heterogeneous talents by customizing the work content according to the needs of subordinates, and promote employees to actively explore how to improve work efficiency and optimize work methods.

Secondly, pay attention to process monitoring and counseling, and maintain employees' high-quality psychological safety. The achievement of I-deals means that employees need to complete some unconventional work content, which is both an opportunity and a challenge for employees. Therefore, when completing the work content of I-deals, leaders also need to pay close attention to it, so as to maintain high-quality psychological safety for employees. When employees encounter thorny difficulties in the process of I-deals and need support of leaders, leaders need to give targeted support and help according to the actual situation. Under the condition of existing resources, discuss with employees whether to terminate I-deals or use other ways and resources to complete the work. At the same time, in this process, the superior can take advantage of the opportunity to provide feedback to the subordinates in time to show concern

and affirmation to the employees' work content and work results, and can also regularly communicate with the subordinates and actively ask them what puzzles they have at present and what support they can provide.

Finally, balance the collocation of individuality and Commonness in work design, and the two cannot be neglected. In the fierce market competition environment, there are also some risks in adopting the flexible working mode of I-deals. For example, employees' work direction is not clear, and they may spend too much energy on tasks unrelated to the assessment objectives. In the long run, employees will deviate from the track of the organization, and the results they make do not meet the expectations and requirements of the organization, As a result, although the organization has adopted a high-cost personalized way of work, it has not received the corresponding return. Therefore, when using I-deals, we should balance the relationship between the personality of employees and the commonness of the organization. On the one hand, in terms of commonness, we should formulate clear job requirements, provide clear performance expectations and clear assessment indicators, and take this as the basic performance assessment to ensure that employees can complete the basic work content required by the organization; On the other hand, in terms of personality, it is emphasized that on the premise of excellent completion of their own work, non-standard working methods that are conducive to their personal development can be formulated according to their personal requirements, so that employees' heterogeneity can be brought into full play, or more personalized task requirements and career development channels can be provided for employees, so as to stimulate employees to be dissatisfied with the current situation, They are willing to actively explore new work ideas and ways to exceed the organization's expected goals, and finally make the employee goals consistent with the organization's direction, so as to realize the coordinated development of employee organization.

4. Limitations and Directions for Future Research

Based on the two motivations of self-categorization theory (self enhancement and reducing uncertainty), this paper studies the theoretical model of improving creativity through I-deals, and proves it through theoretical deduction and empirical analysis, but there are still deficiencies. Firstly, Liao et al. (2016) [5] pointed out in their meta-analysis of I-deals that the exploration of I-deals should try to explore from a more diverse perspective outside the social exchange framework. In response to this call, this study explored the positive impact of I-deals from the perspective of self categorization , but there is still much room for discussion. In subsequent research, we can also explore the positive impact of I-deals on employee creativity under other theoretical frameworks (such as affective event theory, trait activation theory, etc.) [22-23]. Secondly, Rousseau and others believe that there are many types of I-deals [12], such as flexibility, developmental, workload-reduction, and task, etc. But this study has not made a strict distinction. In the follow-up study, we will further explore whether different types of I-deals will have different effects on employees' work attitudes and behaviors.

References

- [1] Amabile T M, Conti R, Coon H, et al. Assessing the Work Environment for Creativity[J]. *Academy of Management Journal*, 1996, 39(5):1154-1184. doi: 10.2307/256995
- [2] Rousseau D M. I - Deals: Idiosyncratic Deals Employees Bargain for Themselves[J]. *Personnel Psychology*, 2006, 59(3):759-761. doi: 10.1111/j.1744-6570.2006.00052_7.x
- [3] Wang S, Liu Y, Shalley C E. Idiosyncratic Deals and Employee Creativity: The Mediating Role of Creative Self-efficacy[J]. *Human Resource Management*, 2018, 57(6):1443-1453. doi: 10.1002/hrm.21917
- [4] Huang J T, Hsieh H H. Supervisors as Good Coaches: Influences of Coaching on Employees' In-Role Behaviors and Proactive Career Behaviors[J]. *International Journal of Human Resource Management*, 2015, 26(1):42-58. doi: 10.1080/09585192.2014.940993
- [5] Liao C, Wayne S J, Rousseau D M. Idiosyncratic Deals in Contemporary Organizations: A Qualitative and Meta-analytical Review[J]. *Journal of Organizational Behavior*, 2016, 37(1):9-29. doi: 10.1002/job.1959
- [6] Peng Z L, Zhao H D. Research of Effect to Team Innovation Performance from Team Chaxu Climate Based on Knowledge Transfer Perspective[J]. *Studies in Science of Science*, 2011, 12(1):121-137. doi: 10.2991/iemi-14.2014.56
- [7] Masterson S S, Stamper C L. Perceived Organizational Membership: An Aggregate Framework Representing the Employee-organization Relationship[J]. *Journal of Organizational Behavior*, 2003, 24(5):473-490. doi: 10.1002/job.203
- [8] Stamper C L, Masterson S S. Insider or Outsider? How Employee Perceptions of Insider Status Affect Their Work Behavior[J]. *Journal of Organizational Behavior*, 2002, 23(8):875-894. doi: 10.1002/job.175
- [9] Lai L, Rousseau D M, Chang K T T. Idiosyncratic Deals: Coworkers as Interested Third Parties.[J]. *Journal of Applied Psychology*, 2009, 94(2):547-556. doi: 10.1037/a0013506
- [10] Ng, Thbmas W H. Can Idiosyncratic Deals Promote Perceptions of Competitive Climate, Felt Ostracism, and Turnover?[J]. *Journal of Vocational Behavior*, 2017, 99(4):118-131. doi: 10.1037/a0013506
- [11] Hornung S, Rousseau D M, Glaser, et al. Creating Flexible Work Arrangements Through Idiosyncratic Deals.[J]. *Journal of Applied Psychology*, 2008, 93(3):655-664. doi: 10.1037/0021-9010.93.3.655
- [12] Rousseau D M, Ho V T, Greenberg. I-deals: Idiosyncratic Terms In Employment Relationships[J]. *Academy of Management Review*, 2006, 31(3), 977-994. doi: 10.1016/j.jvb.2009.02.004
- [13] Hornung S, Rousseau D M, Glaser J. Why Supervisors Make Idiosyncratic Deals: Antecedents and Outcomes of I-deals from a Managerial Perspective[J]. *Journal of Managerial Psychology*, 2009, 24(8):738-764. doi: 10.1108/02683940910996770
- [14] Liao H, Liu D, Loi R. Looking at Both Sides of the Social Exchange Coin: A Social Cognitive Perspective on the Joint Effects of Relationship Quality and Differentiation on Creativity[J]. *Academy of Management Journal*, 2010, 53(5):1090-1109. doi: 10.5465/AMJ.2010.54533207
- [15] Hornung S, Rousseau D M, Glaser J, et al. Beyond Top-down and Bottom-up Work Redesign: Customizing Job Content Through Idiosyncratic Deals[J]. *Journal of Organizational Behavior*, 2010, 31(2):187-215. doi: 10.1002/job.625
- [16] Shin J, Taylor M S, Seo M G. Resources for Change: The Relationships of Organizational Inducements and Psychological Resilience to Employees Attitudes and Behaviors Toward Organizational Change[J]. *Academy of Management Journal*, 2012, 55(3):727-748. doi: 10.5465/amj.2010.0325
- [17] Hui C, Lee C, Wang H. Organizational Inducements and Employee Citizenship Behavior: The Mediating Role of Perceived Insider Status and The Moderating Role of Collectivism[J]. *Human Resource Management*, 2015, 54(3):439-456. doi: 10.1002/hrm.21620
- [18] Chen Z, Aryee S. Delegation and Employee Work Outcomes: An Examination of The Cultural Context of Mediating Processes in China[J]. *Academy of Management Journal*, 2007, 50(1):226-238. doi: 10.2307/20159849
- [19] Zhao H, Kessel M, Kratzer J. Supervisor-subordinate Relationship, Differentiation, and Employee Creativity: a Self-categorization Perspective[J]. *The Journal of Creative Behavior*, 2014, 48(3):124-135. doi: 10.1002/jocb.46
- [20] Liang J, Farh C I C, Farh J L. Psychological Antecedents of Promotive and Prohibitive Voice: A Two-wave Examination[J]. *Academy of Management Journal*, 2012, 55(1):71-92. doi: 10.5465/amj.2010.0176
- [21] Kahn W A. Psychological Conditions of Personal Engagement and Disengagement at Work[J]. *Academy of Management Journal*, 1990, 33(4): 692-724. doi: 10.2307/256287
- [22] Li N, Harris T B, Boswell W R, et al. The Role of Organizational Insiders Developmental Feedback and Proactive Personality on Newcomers Performance: An Interactionist Perspective.[J]. *Journal of Applied Psychology*, 2011, 96(6):1317-1327. doi: 10.1037/a0024029
- [23] Liu J, Lee C, Hui C, et al. Idiosyncratic Deals and Employee Outcomes: The Mediating Roles of Social Exchange and Self-enhancement and The Moderating Role of Individualism.[J]. *Journal of Applied Psychology*, 2013, 98(5):832-840. doi: 10.1037/a0032571