

Chapter 8

Idiosyncratic Deals for Older Workers: Increased Heterogeneity Among Older Workers Enhance the Need for I-Deals

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8.1 Introduction

The rapid aging of the workforce throughout the Western world and parts of Asia, including Japan and China, poses many challenges on contemporary organizations (European Commission, 2010; Wang & Shultz, 2010). The Babyboom generation, consisting of workers born between 1945 and 1965, constitutes a large part of the current workforce. Due to decreased fertility rates, there are fewer younger workers entering the labor market, as a consequence of which the percentage of older workers is rapidly increasing (Truxillo & Fraccaroli, 2013). Consequently, organizations are increasingly aware that the employee population is changing, and that strategies to employ, motivate, and retain workers have to be adapted accordingly. It is no longer sufficient for organizations to focus on employing younger workers (e.g., through designing traineeships for graduates), because the influx of younger workers in the labor market is stagnating, which is in particular present in certain sectors, such as technical occupations and health care (Polat, Bal, & Jansen, 2012). Hence, organizations increasingly will have to rely on older workers, and try to retain older workers, and motivate them to stay longer in the workforce. Similarly, governments across Europe are also increasing official retirement ages, and making it financially less attractive for older workers to retire early (European Commission).

Despite this heightened awareness of the need to retain older workers, there are only very few organizations who successfully achieve aims to retain older workers. However, it is not only important to keep them within the workforce, but also to ensure that older workers remain motivated, productive, and healthy contributors to

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organizational performance (Wang & Shultz, 2010). To do so, it has been argued that organizations should implement an individualized approach to treating older workers (Bal, De Jong, Jansen, & Bakker, 2012), and that older workers may benefit more than younger workers from flexible work arrangements (Pitt-Catsouphes & Matz-Costa, 2008). This is due to the increased heterogeneity among older workers, implying that older workers have more heterogeneous needs in their work than younger workers (Dannefer, 2003). Hence, especially individual arrangements targeting flexibility in the employment relationship will benefit older workers, and keep them motivated in their work, productive, and healthy. The current chapter will accordingly explore the opportunities, and challenges of an individualized approach to treating older workers in organizations. We will first describe the theoretical basis for the increased individual heterogeneity among older people. Furthermore, we will outline the rise of individualized arrangements in the employment relationship, after which we will describe the theoretical basis for individualized treatment of older workers in organizations, discuss the empirical studies on this topic, and the contextual factors that may hinder or foster the effectiveness of individualized treatment. We will end the chapter by discussing how managers can negotiate and manage individualized agreements with (older) workers.

8.2 Increased Heterogeneity Among Older Workers

First, we argue that the majority of research that has focused on work motivation of older workers has ignored the notion of increased heterogeneity with age. Traditionally, research on aging at work has focused on differences in various work attitudes and behaviors between younger and older workers. For instance, the classic review of Rhodes (1983) investigated the relation between age and job attitudes and behavior, including satisfaction, commitment and performance. Moreover, more recent meta-analytic work has looked at similar relationships of age with various types of job performance (Ng & Feldman, 2008), work motives (Kooij, De Lange, Jansen, Kanfer, & Dikkers, 2011), and turnover (Ng & Feldman, 2009). The basic assumption of most of these studies is that the aging process is associated with changes in the attitudes people hold of their jobs, and their behavior at work. Along similar lines, recent research has increasingly focused on age as a moderator (e.g., Bal, De Lange, Jansen, & Van der Velde, 2008; Bal, De Lange, Zacher, & Van der Heijden, 2013; Zaniboni, Truxillo, & Fraccaroli, 2013), assuming that older workers respond differently from younger workers to inducements from the employer. For instance, Bal and colleagues (2008) found that younger workers in general tend to react more strongly to psychological contract breaches than older workers. Moreover, research from Shultz and colleagues (2010) showed that younger workers were more likely to experience stress in response to high job demands than older workers, while various job resources such as autonomy buffered the negative impact of high job demands on stress differently for younger versus older workers. All of these studies show that age may be directly related to work

outcomes, but also indirectly, influencing the effects of job experiences (e.g., contract breach, job demands) on work outcomes.

Hence, the foundation of this line of research is in *intergroup* differences; younger workers as a group differ in their attitudes, work behaviors, and reactions to job experiences from older workers as a group of employees within the organization. However, previous research has traditionally shown mixed and inconsistent results regarding effects of age (Ng & Feldman, 2008; Rhodes, 1983), and usually (very) small effect sizes, which may be limited in relevance for theory and practice. One explanation of this lack of relevance has been addressed by Kooij and colleagues (2008), who proposed that the aging process constitutes a combination of various age-related changes that people experience over time. Thus, age serves as an umbrella-variable in which various changes are captured that take place when people become older. For instance, while one 50-year old employee may be very healthy and consequently motivated to work, another 50-year old employee might be burnt out, and not motivated to work. *Functional or biological age*, referring to the physical and cognitive capabilities employees need to carry out in their work, may determine motivation and productivity, and distinguishes *within* groups of younger or older workers. In addition to a *between-groups* approach, looking at differences between younger and older workers, it is necessary to take a *within-group* approach, and thus investigating differences within groups of employees in the same age range to ascertain the processes that predict motivation, productivity and health.

It is thus important to investigate the heterogeneity within groups of younger and older workers as well (Bal et al., 2012; Nelson & Dannefer, 1992). More specifically, ample research has shown that heterogeneity increases with age, and that this process manifests itself in various domains (Light, Grigsby, & Bligh, 1996). We therefore argue that in order to understand how older workers' motivation, productivity and health can be maintained at higher age, it is crucial to understand the increased heterogeneity among older workers, and hence, the increased need to adopt an individualized approach to motivate older workers.

Already in the early 1990s, Nelson and Dannefer (1992) pointed towards this issue, in their article in *The Gerontologist*, in which they criticized the majority of research in gerontology for theorizing on age diversity, but in reality never investigating diversity *within* age groups. In their meta-analytic review, Nelson and Dannefer concluded that in 65 % of the gerontological studies they reviewed, a pattern of increasing variability with age was found, and that this increasing variability with age was present across physical, personality, and cognitive domains. Follow-up research showed that even at the phenotypical level (thus the biochemical characteristics of a person), people have increased heterogeneity in genetic expression with age (Light et al., 1996; Somel, Khaitovich, Bahn, Pääbo, & Lachmann, 2006). Moreover, even though it has been argued that personality develops primarily until young adulthood, research shows that personality changes across adulthood, and that with increasing age, personality differences within age groups increase as well (Caspi, Roberts, & Shiner, 2005; Van Lieshout, 2000, 2006). Thus, people become more heterogeneous in personality when they become older, while younger people are more similar in terms of personality traits. Furthermore, more recent research also

showed that emotional experiences tend to become more complex and heterogeneous when people age; in an experimental study by Charles (2005) older people showed more complex emotions than younger people after viewing a film clip containing injustices (see also Kellough & Knight, 2012). Finally, reaction times, an important indicator of cognitive aging, also become more variable when people become older (Deary & Der, 2005). In sum, there is ample evidence to state that older people are more different from each other than younger people are different from other younger people.

There are a number of theoretical explanations for this increased heterogeneity. First, individuals select or are selected by specific environments which are similar to or suit their personality, through which their personality is reinforced over time. Hence, differences in personality among people tend to become greater over time (Light et al., 1996). This process has been referred to as the amplification of differences between people over time, in which existing characteristics are reinforced as people become older. Another explanation has been offered by sociologists, who have argued that social status characteristics, such as gender, social class, and race, determine the social system in which an individual operates (Light et al.). An individual is born within a social system, or a social environment, which predicts the extent to which personality is formed. Thus, the environment influences how personality is shaped over time, and the older people become, the more their personalities are further shaped by the characteristics of the social class they live in. Because classes differ among each other, such as socioeconomic status, the influence of class on people's personalities will differ as well, giving rise to increasing differences over the life course. A final explanation, as outlined shortly above, is genetic (Light et al.; Somel et al., 2006). Genes do not only influence how personality is shaped over the course of one's life (e.g., a genetic disposition to be introvert is amplified over the life course), but also how the environment shapes the personality of a child (e.g., children with high intellectual skills are more likely to be raised by parents who are intellectual themselves). Thus, the expression of genotypes into behavior is strengthened such that differences in phenotypes will increase. Consequently, and in line with findings that phenotypes become more diverse over the life course (Somel et al.), there is evidence for increased phenotypic variability among people over the life course.

8.3 Increased Heterogeneity in the Workplace

There is very little research available in Organizational Behavior and Human Resource Management based on this notion of increased heterogeneity among older workers. However, some models and studies have implicitly departed from a standpoint that integrates research on older workers with increased heterogeneity among older workers. The lifespan model of Kooij et al. (2008) includes age as a variable that captures various changes throughout life, and assumes that because people experience these changes in an idiosyncratic manner, the older people

become, the more these underlying age-related changes will determine work motivation and not just chronological age. Kooij and colleagues distinguished chronological age, functional age (i.e., cognitive abilities and physical health), psychosocial age (i.e., self-perceptions and social perceptions), organizational age (e.g., tenure and career stage), and finally lifespan age (i.e., life stage or family situation). Kooij et al. did not explicitly assume that older workers are more heterogeneous, but only stated that individuals with the same chronological age may differ substantially in other operationalizations of age. Furthermore, there is increased interest in the influence of age diversity on work outcomes (e.g., Kunze, Boehm, & Bruch, 2011; Kunze & Bruch, 2010), but this still refers to age diversity within teams or organizations and so excludes diversity within groups of older workers.

However, there is some evidence for the notion of increased heterogeneity among older workers. A study of Bal and Kooij (2011) showed that among younger workers, work centrality (i.e., how central work is in the lives of people) was not a predictor of their psychological contract with their organization, while among older workers, the higher their work centrality, the more they were focused on a relational, long-term psychological contract with their organization. Their findings indicate that while younger workers were looking for relational contracts regardless of how central work was in their lives, for older workers the level of work centrality determined their relationship with and investment in the organization. This provides indirect evidence for the notion that among younger workers employment arrangements have a direct positive effect, while for older workers other aspects in life are important in ascertaining how they respond to employment arrangements. Furthermore, the study of Bal and colleagues (2012) explicitly integrated the heterogeneity perspective in their study on the effects of idiosyncratic deals on motivation to continue working. They found that I-deals indeed related to higher motivation to continue working after retirement, based on the idea that to be able to continue working, I-deals may help older workers to realize their needs.

In sum, although there is still a need for more research into greater heterogeneity among older workers, there is some evidence that this perspective may contribute to further understanding of the needs, attitudes, and behaviors of older workers. In addition, organizations have already started with implementing individualized career patterns and work arrangements for older workers (Benko & Weisberg, 2007; Pitt-Catsouphes & Matz-Costa, 2008). Based on the idea that older workers become more and more heterogeneous, it is no longer sufficient to assume that a unified approach to maintaining older workers' motivation, health and productivity is enough. However, although younger workers are more alike than older workers (Bal & Kooij, 2011), we observe that Human Resource Management (HRM) traditionally focuses more on the needs and wishes of younger workers than of older workers (Bal, Kooij, & De Jong, 2013). For instance, traineeships have traditionally been designed for younger workers only. Therefore, there is a gap between the knowledge about the heterogeneous aging process that has been generated in gerontology, and the use of this knowledge in Organizational Behavior and HRM. We therefore propose that an individualized approach to older workers is necessary to be able to maintain older workers' motivation, productivity and health,

while younger workers may still benefit from standardized work arrangements. Hence, individualized agreements about work arrangements, such as I-deals, are crucial for older workers. In the next section, we will elaborate on the utility of I-deals in organizations as well as for older workers.

8.4 Individualized Agreements for Older Workers

Delery and Doty (1996), in their paper on modes of theorizing in strategic HRM, explained that both a universalistic approach to HRM as well as a contingency approach to HRM may be necessary when designing human resource systems in organizations. A universalistic approach to HRM, which assumes that HR practices universally benefit employees, has become the primary mode of theorizing in HR research over time. For instance, a number of articles has focused on the main effects of 'high performance' HR practices on commitment and performance (Gardner, Wright, & Moynihan, 2011; Kehoe & Wright, 2013). However, the contingency approach to HRM, which assumes that to be effective, HR practices have to be in line with other aspects of the organization, has received much less attention (Bal, Kooij, et al., 2013; Boxall & Macky, 2009). This is strange, because with increasing diversity of workplaces, it seems imperative that organizations should take a diversified approach to motivate their workforce through HR practices. Especially with the increasing number of older workers in organizations, it is important that organizations are aware that the universalistic approach towards HRM is no longer sufficient, and should be replaced by a contingency approach (Bal, Kooij, et al.). This contingency approach dictates that organizations, when they design their strategic HR policies and practices, should take into account the diversity of the workforce, and accordingly the diverse work-related needs of the workers in the organization (Delery & Doty).

With the increasing number of older workers in the workforce, and hence, the increasing heterogeneity in the needs and motivations of employees in organizations, it is crucial that organizations take a more individualized approach to motivating (older) workers. At the same time, we have noticed the rise of individualized agreements in the workplace (Rousseau, 2001, 2005). Due to individualization of Western society (Welten, 2012), workplaces also have individualized over the last decades, with less influence for unions, and more leeway for individual employees to negotiate individualized work arrangements with their employers (Rousseau, 2005). Moreover, organizations increasingly offer valued employees special arrangement packages in order to retain them for the company. Inducements such as bonuses, training programs, and individualized work schedules have been offered to valuable employees, such that they remain with the company and increase their efforts to benefit the organization (Hornung, Rousseau, & Glaser, 2008). These individualized arrangements have been referred to as idiosyncratic deals, or 'I-deals' for short (Rousseau, 2005). I-deals are not arrangements which are available to every employee, but they can be part of the contingent HR-strategy of an organization,

which may focus on individualization of work arrangements with employees (Bal et al., 2012; Bal & Dorenbosch, 2014).

I-deals are idiosyncratically negotiated agreements between an individual employee and the organization, rather than that the terms of employment are a priori fully set by the employer (Rousseau, Ho, & Greenberg, 2006). According to Rousseau (2005), who wrote the seminal work on I-deals, there are a number of factors that distinguish I-deals from other forms of individualized treatment, such as favoritism or cronyism. First, I-deals are heterogeneous among employees, such that employees may have negotiated different I-deals with the same employer. When an individual arrangement becomes available to every employee in the organization, the arrangement becomes an HR practice, and is no longer an I-deal (Rousseau). Hence, I-deals arise when employees negotiate work arrangements that deviate from organizational HR practices. I-deals should benefit both employee and employer; the employer may offer I-deals to attract or retain employees, and the employees' contract terms become more aligned towards personal preferences (Rousseau, Hornung, & Kim, 2009). Finally, I-deals vary in scope, such that some employees might have negotiated a single specific agreement with the employer (e.g., flexible working times to care for older parents), whereas other employees may have a completely individually negotiated set of employment arrangements. I-deals are not only idiosyncratic, but also *ideal* in the sense of benefiting both parties, since employees can fulfill their needs in their work, while organizations benefit through greater employee motivation and retention of valuable employees (Rousseau, 1995).

I-deals are different from flexible work arrangements (FWAs; Allen, Johnson, Kiburz, & Shockley, 2012). Flexible work arrangements are defined as HR practices that permit flexibility in where and when work is completed (Allen et al., 2012). This typically is standardized throughout organizations, and hence, allow all employees the right to adjust their working schedules. FWAs have been designed in response to the need of parents to combine work and family life, and are not necessarily individually negotiated. Moreover, I-deals can entail any agreement between employee and organization about any aspect of work, while FWAs traditionally target working hours and the place where work is conducted. In sum, in contrast to FWAs, I-deals are individually negotiated and can entail more aspects of work than FWAs.

I-deals can be negotiated before employment, such as during the recruitment process (i.e., ex ante I-deals), but they can also be negotiated during employment (i.e., ex post I-deals). While ex ante I-deals will be primarily negotiated by (future) employees because of their valuable skills that the company wants to obtain, ex post I-deals will be negotiated when employees have skills that the company wants to retain, or as a way of rewarding loyal employees. Research on I-deals has shown that in general, employees tend to negotiate I-deals on four different dimensions (Rosen, Slater, Chang, & Johnson, 2013): Task and work responsibilities, schedule flexibility, location flexibility, and financial incentives. Task and work responsibilities I-deals refer to those arrangements employees negotiate concerning the tasks they conduct at work, as well as the responsibilities the employee has at work.

Schedule flexibility concerns the working hours of the employee, and can be negotiated in relation to the number of hours worked during the week, or the time the employees will be at work. Belatedly is location flexibility, which refers to the place where the work is conducted. For instance, employees can negotiate that they conduct part of their work from home or another location. Finally, financial I-deals concern the individual deals with respect to salary and received bonuses.

Theoretically, the effects of I-deals on employee outcomes have been explained using social exchange theory, and in particular the norm of reciprocity (Blau, 1964; Gouldner, 1960). According to social exchange theory, when an employee and an employer commit to each other in an exchange relationship, reciprocal obligations between the two parties drive behaviors of the two parties. I-deals serve as a basis for reciprocity between the employee and the organization, strengthening the employment relationship through the mutual obligations that have been agreed upon by the two parties. More specifically, the organization negotiates with the employee a certain arrangement, and in return, the employee becomes more committed, stays with the organization, and may perform at a higher level.

Moreover, the effects of I-deals can also be explained using work adjustment theory (Baltes, Briggs, Huff, Wright, & Neuman, 1999), which postulates that through a customized set of work arrangements, employees achieve greater correspondence between work and private life, and hence avoid work-family conflict and retain a healthy work-life balance (Allen et al., 2012; Hornung et al., 2008). Because I-deals may create a fit between the needs and abilities of the employee and the demands of the job, employees are happier and better able to conduct their work for a longer period. Previous research has indeed shown that employees who negotiate I-deals become more attached to the organization (Hornung et al.), have a more favorable relationship with the organization (Rousseau et al., 2009) and contribute to a higher degree (Anand, Vidarthi, Liden, & Rousseau, 2010; Hornung et al., 2008). For instance, a study of Hornung and colleagues showed that flexibility I-deals reduced work-family conflict, while developmental I-deals enhanced commitment, performance expectations, and working overtime. Finally, recent research also showed that I-deals are important for the motivation to continue working beyond retirement (Bal et al., 2012). I-deals may thus not only be beneficial for employee motivation and productivity, but also for health. A large-scale study among organizations in the Netherlands indeed showed that when employees were able to individually negotiate deals with respect to work schedules, sickness absence in those companies was significantly lower (Bal & Dorenbosch, 2014). In sum, I-deals may be positively influencing employee motivation, health and productivity. However, at the same time, development I-deals also have been found to positively relate to work-family conflict (Hornung et al.), thus indicating potential negative effects of I-deals. It is therefore important to ascertain when and how I-deals have positive outcomes.

Based on the theoretical considerations and previous research, negotiation of I-deals with employees constitutes a crucial organizational intervention to increase employee motivation, performance and health. According to lifespan personality research (e.g., Caspi et al., 2005; Roberts, Walton, & Viechtbauer, 2006;

Van Lieshout, 2000, 2006), interpersonal differences tend to be greater among older people than among younger people. Therefore, older workers are likely to have more diverse needs, preferences, and motives in how they fulfill their work roles, and how they perceive the role of work in their lives (Bal & Kooij, 2011). This implies that appropriate interventions to influence older workers' motivation and productivity will not consist of general HR practices but of opportunities to negotiate individually-targeted I-deals with the employer about work arrangements (Armstrong-Stassen & Ursel, 2009). Moreover, I-deals will have a symbolic value to the employee, since it is a proof that the organization values and concerns for the employee, thus increasing organizational attachment in the long run (Hornung et al., 2008; Rousseau et al., 2009).

8.5 Older Workers and I-Deals

We propose that I-deals will be particularly important for older workers. Despite the popular notion that contemporary younger workers are self-confident, narcissistic, and high-demanding, and hence would be more likely to feel entitled to special work arrangements such as I-deals (Twenge, Campbell, Hoffman, & Lance, 2010), individualized work arrangements will be more important for older workers than for younger workers. Because younger workers are typically focused on building their career, they are likely to look for similar resources they can obtain from their organizations, such as high pay, fringe benefits including mobile phones and laptops, and developmental opportunities (Bal & Kooij, 2011). Extrinsic resources, such as salary and promotion, are indicators for younger workers that they are valued by their organization, while those resources become less important when people grow older (Kooij et al., 2011). Because older workers become more different from other older workers, their needs for the resources that they obtain from their organization, also become more heterogeneous. Hence, the opportunity to negotiate I-deals with their organization will be more important for older workers than it is for younger workers. Consequently, I-deals are the primary basis for designing strategic HR decisions among organizations that employ older workers. Another argument for increased utility of I-deals for older workers can be based on attribution theory. According to this theory, people seek causal explanations for the behavior of other people (Kelley & Michela, 1980). Thus, when younger workers start negotiating I-deals with their organizations, managers may attribute this behavior of younger workers to self-serving purposes, rather than organization-serving motives, which will be more likely the case among older workers (Leslie, Manchester, Park, & Mehng, 2012). Because managers may have stereotypical beliefs about younger workers, they tend to attribute the requests of younger workers for I-deals more negatively, because younger workers are described as less loyal, and more likely to switch employers frequently (Twenge et al., 2010). Older workers, however, may be more likely to have paid their dues to the organization, and expect to be rewarded for their loyalty to the organization. Hence, managers will be more likely to attribute

older workers' requests for I-deals to organization-serving purposes, such as to facilitate the older worker to remain active in the organization, and to be able to maintain health, and balance between work and life.

While there is very little direct evidence for the particular relevance of I-deals for older workers, there are a number of studies that do support this notion. In a study of Pitt-Catsouphes and Matz-Costa (2008) among almost 200,000 employees in the US, it was found that the effect of flexibility at work on work engagement was stronger for older workers than for younger workers. In other words, they ascertained that flexibility in work schedules was more strongly related to higher work engagement among older workers, while younger workers did not profit that much from flexibility in their work schedules. Hence, this supports the notion of higher utility of flexibility for older workers. Another study of Bal and colleagues (2012) found that I-deals were related to motivation to continue working after retirement. Based on the same notion as describe earlier, it was expected that I-deals would create a stronger fit between the abilities of older workers and what they want from work, which consequently would enhance their motivation to continue working. The study indeed revealed that this was the case; among a sample of more than 1,000 employees in a Dutch health care organization, I-deals positively related to motivation to continue working beyond retirement. Finally, in another study among almost 5,000 Dutch organizations, Bal and Dorenbosch (2014) found that availability and use of I-deals were related to higher organizational performance as well as lower sickness absence and employee turnover. Moreover, it was found that especially flexibility I-deals reduced sickness absence in organizations with many older workers. From this study, it can be concluded that the possibility of negotiating flexibility at work is important for older workers to be able to conduct their work. However, we also expect that these potential effects of I-deals for older workers are dependent upon a number of factors.

8.6 The Role of Type of I-Deals, and Psychological and Contextual Factors

Despite accumulating evidence that I-deals contribute to the bottom line, and that I-deals may enhance commitment, motivation, and retention, and reduce absence (Hornung, Rousseau, Weigl, Muller, & Glaser, 2014), it is not self-evident that effects of I-deals will always occur. Researchers normally do not find consistent effects of I-deals on work outcomes, as some I-deals may directly relate to outcomes, while others may only be related to outcomes under certain conditions (Hornung et al., 2008; Rousseau et al., 2009; Van der Meij & Bal, 2013). For instance, development I-deals may sometimes even have negative effects because development means investment in work, and hence less time for family and non-work concerns (Bal & Dorenbosch, 2014; Hornung et al., 2008). Moreover, researchers typically do find few effects of financial I-deals on work outcomes (Rosen et al., 2013; Van der Meij & Bal, 2013). Thus, the question is also under

which conditions which types of I-deals are most beneficial for older workers. We argue that the strength of the effects of I-deals on work outcomes for older workers depends upon the type of I-deal, the team or department around the older worker, and the psychological processes underlying the utility of I-deals for older workers.

First, there is some recent evidence for different effects for younger and older workers of different types of I-deals on work outcomes. As argued earlier, younger workers have more similar needs in their work, such as salary, fringe benefits, and career development (Bal & Kooij, 2011; Kooij et al., 2011). Hence, provision of I-deals is less important for them, and if younger workers are able to negotiate I-deals, they tend to value financial and developmental I-deals, through which they contribute to and stay with the organization (Bal & Dorenbosch, 2014). However, due to the aging process, older workers experience gradual losses of physical abilities and gradually decreasing fluid intelligence, though progressing in different speed (Baltes, 1997). Hence, and due to their more heterogeneous needs, older workers tend to value flexibility in their work more than younger workers. Subsequently, flexibility I-deals are more highly valued by older workers, because flexibility allows older workers to obtain a better balance between what they find important in work, and what they bring into their work, such as their abilities, experience, and knowledge. In line with this, Bal and colleagues (2012) found that flexibility I-deals were the strongest predictor of motivation to continue working after retirement, and hence can be regarded as the most important I-deal for older workers. However, research on I-deals has so far focused on a limited number of I-deal types (task and development, schedule flexibility, location flexibility, and financial I-deals; Rosen et al., 2013). Thus, it is important for further research that more specific deals are investigated that older workers tend to negotiate, such as reduced workload, with their employer in order to be able to conduct their work for a longer time.

Next to the I-deal type, it is also important to take into account the context in which I-deals are negotiated. For instance, there is increasing evidence (Greenberg, Roberge, Ho, & Rousseau, 2004; Lai, Rousseau, & Chang, 2009; Rousseau, 2005) that there are three parties involved in negotiation of I-deals: the employee, the organization, and coworkers. This raises the issue of fairness: when an employee is able to negotiate an I-deal with the organization about for instance flexible working schedules, coworkers might react negatively when they perceive the I-deal as unfair. Therefore, acceptance of coworkers towards I-deals is an important precondition for the successful implementation of I-deals in the workplace (Lai et al., 2009). When older workers are granted special arrangements because of their loyalty towards the organization, younger workers may react adversely, and may attribute this to undeserved entitlements of older workers which they cannot obtain themselves. Based on this notion, Bal and colleagues (2012) indeed found that development I-deals only contributed to higher motivation to continue working beyond retirement when there was a supportive climate for older workers in the unit. When a climate was prevalent where older workers were stimulated to withdraw from their work roles when they were approaching their retirement, development I-deals were no longer predicting motivation to continue working, because in order to be able to benefit from I-deals and transfer it to the workplace, older workers need the support of their

managers, coworkers, and to some extent, society. The study showed that when managers and coworkers were supportive of older workers developing themselves, development I-deals indeed related positively to continue working (Bal et al.).

Finally, it is not only the type of I-deal and the environment that predicts the effectiveness of I-deal usage for older workers, but also to a great extent the psychological processes that take place within the older worker. As outlined above, people age differently, and the older people become, the more they differentiate in terms of their personalities, needs, attitudes, and behaviors. Hence, 'the older worker' does not exist, and the way older workers perceive their work in their lives is important in ascertaining the investment of older workers in their work and organization. While some older workers mentally retire long before they can retire, and look out for the date when they can officially retire from work, others may be more successful in the strategies that they have employed to retain work motivation throughout the lifespan (Kooij et al., 2008). The model of successful aging by Baltes (1997) indeed describes successful aging as being able to cope with age-related losses, such as declining physical capabilities and less fluid intelligence, by employing SOC-strategies (Selection, Optimization, and Compensation). SOC-strategies include Selecting a narrower range of goals one will pursue at work, Optimizing the tasks one still carries out at work, while Compensation indicates employing alternative means when one is no longer able to conduct specific tasks to carry out the job (Bal, Kooij, et al., 2013). Research has shown that when older workers use SOC-strategies, they are more engaged, committed and show a higher focus on opportunities at work (Bal, Kooij, et al., 2013; Zacher & Frese, 2011). Hence, the extent to which I-deals will be beneficial for older workers is also determined by the extent to which older workers engage in strategies that enable successful aging at work, such as SOC-strategies. People who focus on SOC-strategies as a way to cope with age-related losses, will be particularly responsive to individualized agreements that help shape their job towards their capabilities and needs.

8.7 Discussion

This chapter analyzed the need for idiosyncratic deals for older workers. It set out to explain that the older people become, the more heterogeneous they become from their peers, due to increased intragroup differences in personalities, needs, and work-related attitudes and behaviors. Hence, while a simplified approach to younger workers may be sufficient in organizations to attract and motivate these younger workers, for older workers this is no longer enough. Consequently, while younger workers may be motivated by economic rewards, developmental opportunities, and possibilities to build their career (Bal & Kooij, 2011; Freund, 2006), older workers are motivated by different things at work, and become more differentiated. Thus, an individualized approach to motivating older workers is crucial, and the use of I-deals in organizations may enable older workers to make individualized agreements with their organizations about how they will fill the time until their

retirement. I-deals about accommodated work arrangements can be made, such as reduced work hours, lower job demands, and exemption from night shifts. Moreover, I-deals about job content can also be negotiated, such as I-deals on special projects, coaching roles, and job shifts. Through these individualized agreements, older workers can maintain their health, work motivation, and productivity (Bal & Dorenbosch, 2014; Kooij et al., 2008), and thus remain active until their (official) retirement age.

However, we also explained that the potential engaging effects of I-deals are also dependent upon the type of I-deal, the extent to which the environment around the older worker is supportive of the transfer of a negotiated I-deal to the workplace, and the psychological strategies that older workers follow to conquer age-related losses, such as selecting a narrower range of goals that older workers want to achieve in work (Zacher & Frese, 2011). Thus, I-deals do not operate within a social vacuum, but are influenced by many factors, including the direct environment (e.g., coworkers), organizational structures (e.g., size of the organization), and psychological factors of older workers themselves. Consequently, research on the benefits of I-deals of older workers should take a contextualized approach, in which the situation of the older worker within the team, organization, and country should be taken into account.

There are many opportunities for future research in this area, since no study to date has explicitly showed what type of I-deals older workers negotiate. Therefore, showing how an individualized approach to arranging work may benefit motivation, will be crucial to ascertain the usefulness of I-deals in organizations. But next to researching negotiation of I-deals, it is equally important to investigate how I-deals are managed, and how responsibility of negotiated agreements is taken by employee or manager. There is a growing body of literature on whether employees negotiate individualized work arrangements, but there is hardly any evidence of how I-deals are managed, and how I-deals influence behavior over time. For instance, one question pertains as to for how long negotiated I-deals are valid. When an employee negotiates an adapted work schedule, do the employee and the manager agree upon the time frame of the I-deal, or how long the I-deal applies to the employee? Moreover, another question concerns what specific I-deals are negotiated by older workers. The existing typologies of I-deal types (e.g., Hornung et al., 2008; Rosen et al., 2013), are insufficient to explain the individual agreements that older workers will negotiate with their organizations. These and other questions can guide further research on I-deals for older workers.

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