

RGC Ref. No.: UGC/FDS14/B10/16 <p style="text-align: center;">(please insert ref. above)</p>
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**RESEARCH GRANTS COUNCIL  
COMPETITIVE RESEARCH FUNDING SCHEMES FOR  
THE LOCAL SELF-FINANCING DEGREE SECTOR**

**FACULTY DEVELOPMENT SCHEME (FDS)**

**Completion Report**  
*(for completed projects only)*

<p><b><u>Submission Deadlines:</u></b></p> <ol style="list-style-type: none"> <li>1. Auditor's report with unspent balance, if any: within <b>six</b> months of the approved project completion date.</li> <li>2. Completion report: within <b>12</b> months of the approved project completion date.</li> </ol>
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**Part A: The Project and Investigator(s)**

**1. Project Title**

Identify the Uniqueness of Idiosyncratic Deals: A Comparison with Similar Practices and An Empirical Investigation

**2. Investigator(s) and Academic Department(s) / Unit(s) Involved**

Research Team	Name / Post	Unit / Department / Institution
Principal Investigator	Eko Liao/Associate Professor	Department of Management/The Hang Seng University of Hong Kong
Co-Investigator(s)	Kaylee Kong/Assistant Professor	Department of Management/The Hang Seng University of Hong Kong

**3. Project Duration**

	Original	Revised	Date of RGC / Institution Approval <i>(must be quoted)</i>
Project Start Date	1 Jan 2017	NA	NA
Project Completion Date	31 Dec 2018	30 June 2019	17 May 2018
Duration <i>(in month)</i>	24	30	17 May 2018
Deadline for Submission of Completion Report	31 Dec 2019	30 June 2020	17 May 2018

**Part B: The Final Report**

**5. Project Objectives**

5.1 Objectives as per original application

1. To establish theoretical arguments and explore empirical findings to distinguish employee i-deals from other similar managerial practices.
2. To investigate the outcomes of employee i-deals that benefit both employee career outcomes and organisational competitiveness.
3. To identify and examine the mechanism through which i-deals work to generate positive effects in organisations.
4. To explore the practical implications of i-deals, particularly in Hong Kong organisations.
5. To provide practical suggestions to both managers and organisations to effectively motivate employees using limited organizational resources.

5.2 Revised objectives

Date of approval from the RGC: N/A

Reasons for the change:

- 1.
- 2.
3. ....

### 5.3 Realisation of the objectives

*(Maximum 1 page; please state how and to what extent the project objectives have been achieved; give reasons for under-achievements and outline attempts to overcome problems, if any)*

First, we have conducted a comprehensive literature search and review to explore the existing knowledge of i-deals and its relevant constructs as it is a relatively new concept in the area. Leader-member exchange, which is one of the most popularly studied topics and related to the concept of i-deals, was investigated with great details for a thorough comparison with i-deals. A meta-analysis was conducted and completed accordingly. From the results, the importance of employee i-deals was captured and better understood.

Second, based on the literature review and the findings from the meta-analysis, a dual-path model that incorporates employee's positive and negative reactions in perceiving i-deals granted to their co-workers was developed. Social information processing theory was adopted in explaining the mechanisms from which employees are likely to enhance their perceived value, knowing the existence of co-worker i-deals. On one hand, employees react positively by resorting to self-enhancement, so that they can contribute to the organization or even surpass the performance of perceived i-deal recipients. On the other hand, employees may react by establishing an image of contributing to workplace without spending actual effort. The criterion domain for the effects of coworkers' i-deals was also extended by incorporating both positive behaviors (i.e., task performance and voice) and negative behaviors (i.e., opportunistic and deviant behaviors). The inclusion of multiple outcome variables not only allows exploration of possible influences of coworkers' i-deals, but also generates a more complete picture of individual behaviors in a variety of situations when observing coworker i-deals.

Third, to examine the proposed conceptual model as described previously, two separate studies were conducted as data collection. In study 1, an experiment was conducted, from which we are aiming to test the hypotheses regarding the responses to the perception of co-workers' i-deals. With the help of an online-marketing company, interested participants who are living in China were attracted to complete an online scenario-based experiment. Results and findings basically supported the first part of our conceptual model. In study 2, an empirical study was conducted including 219 employee-supervisor pairs from a gardening design company. Participants were invited to fill in the survey at two different times. Data analyses and findings also generally support our proposed social information processing model of employee's perception of co-worker i-deals.

Fourth, practical implications and suggestions were constructed with details for business practitioners especially Hong Kong organizations. Specifically, we suggest organizations to create effective merit-based systems, from which employees are aware that their effort and contributions to the overall functioning of workplace will be recognized and rewarded. As for business managers, as they are often regarded as role models to employees, they are suggested to be more mindful about their integrity at work. When they lead with high level of integrity, their high moral standards, consistent behaviors, and authentic characteristics are likely to be perceived and learned by followers. In terms of investigating the importance and influence of i-deals, we suggest organizations and managers to adopt more complex thinking in granting and processing i-deals. Even though both the receiving talents and the employer are likely to be benefited, how other stakeholders especially colleagues of the recipient perceive and react to such i-deals is of equal importance for the overall workplace effectiveness.

#### 5.4 Summary of objectives addressed to date

<b>Objectives</b> <i>(as per 5.1/5.2 above)</i>	<b>Addressed</b> <i>(please tick)</i>	<b>Percentage Achieved</b> <i>(please estimate)</i>
1. To establish theoretical arguments and explore empirical findings to distinguish employee i-deals from other similar managerial practices.	√	100%
2. To investigate the outcomes of employee i-deals that benefit both employee career outcomes and organisational competitiveness.	√	100%
3. To identify and examine the mechanism through which i-deals work to generate positive effects in organisations.	√	100%
4. To explore the practical implications of i-deals, particularly in Hong Kong organisations.	√	100%
5. To provide practical suggestions to both managers and organisations to effectively motivate employees using limited organizational resources.	√	100%

## 6. Research Outcome

### 6.1 Major findings and research outcome

*(Maximum 1 page; please make reference to Part C where necessary)*

From this project, there are several major findings. We found that although i-deals are assumingly beneficial to both the employer and the recipient, third parties such as the co-workers may react differently, which ultimately influence the overall workplace effectiveness. Specifically, employees who observe i-deals are granted to others at work will react in two ways. First, they will engage in either self-enhancement behaviors to actually improve themselves or impression management behaviors, depending on whether they believe their co-workers' i-deals were granted to reward their contribution or were based on leader's favoritism. In turn, they will have constructive outcomes such as higher task performance, more voice, less opportunistic behaviors, and less deviant behaviors. On the contrary, impression management behaviors are associated with negative outcomes.

For major research outcomes:

- A conference poster presentation was held in the conference of European Association of Work and Organizational Psychology, 2017.
- Two cases were written and accepted by CASE conference 2018. PI has presented the cases in May 2018.
- A meta-analysis was completed and published in Asia Pacific Journal of Management.

- A research collaboration was established with Prof. Chun Hui from The University of Hong Kong and Prof. Jiang Liang from Tongji University, China. The main study was carefully discussed, planned, conducted, and the manuscript was completed and ready for submission to a highly impactful journal.

#### 6.2 Potential for further development of the research and the proposed course of action (Maximum half a page)

- For the manuscript of the main study, we are aiming at top-tier journals, thus the PI will be responsible for its finalization and submission.
- From the findings of this project, the PI will explore future opportunities in conducting other research projects relating the topic of i-deals.

### 7. Layman's Summary

(Describe *in layman's language* the nature, significance and value of the research project, in no more than 200 words)

Contemporary organizations strive to attract and retain talented employees with limited resources. To address this need, Idiosyncratic deals (i-deals) were developed which are customized employment terms (e.g., flexible work hours and location that are negotiated and agreed by a talent and an employer, with aims of benefitting both parties. How i-deals influence other employees as a third-party remains a crucial yet much less-studied area. Our research model investigates how employees perceive, interpret, and react to i-deals that are arranged to their coworkers.

There are several theoretical as well as practical implications of this study. First, this study investigated the much less-studied yet important topic of i-deals phenomenon. Second, we have examined employee's psychological and behavioral reactions to perceived co-worker i-deals. Lastly, we found that without effective management, granting i-deals may have unexpected negative influence at workplace.

This study is one of the first empirical research that directly captured how i-deals may positively and negatively affect the third party's work effectiveness. Our findings have critical implications for organizations and top managers that there is a need to establish a more systematic and effective system in granting i-deals and evaluating the effects of i-deals for all organizational stakeholders.

**Part C: Research Output****8. Peer-Reviewed Journal Publication(s) Arising Directly From This Research Project**

*(Please attach a copy of the publication and/or the letter of acceptance if not yet submitted in the previous progress report(s). All listed publications must acknowledge RGC's funding support by quoting the specific grant reference.)*

<b>The Latest Status of Publications</b>				<b>Author(s)</b> (denote the corresponding author with an asterisk*)	<b>Title and Journal / Book</b> (with the volume, pages and other necessary publishing details specified)	<b>Submitted to RGC</b> (indicate the year ending of the relevant progress report)	<b>Attached to this Report</b> (Yes or No)	<b>Acknowledged the Support of RGC</b> (Yes or No)	<b>Accessible from the Institutional Repository</b> (Yes or No)
<b>Year of Publication</b>	<b>Year of Acceptance</b> (For paper accepted but not yet published)	<b>Under Review</b>	<b>Under Preparation</b> (optional)						
2019	2018			Eko Liao*, Chun Hui	A Resource - Based Perspective on Leader-Member Exchange : An Updated Meta-Analysis/Asia Pacific Journal of Management	2018	Yes	Yes	Yes

**9. Recognized International Conference(s) In Which Paper(s) Related To This Research Project Was / Were Delivered**

*(Please attach a copy of each conference abstract)*

<b>Month / Year / Place</b>	<b>Title</b>	<b>Conference Name</b>	<b>Submitted to RGC</b> <i>(indicate the year ending of the relevant progress report)</i>	<b>Attached to this Report</b> <i>(Yes or No)</i>	<b>Acknowledged the Support of RGC</b> <i>(Yes or No)</i>	<b>Accessible from the Institutional Repository</b> <i>(Yes or No)</i>
May/ 2017/ Ireland	Demotivate your coworkers? Exploring the dark side of employee i-deals	European Association of Work and Organizational Psychology	2017	Yes	No (the conference submission had no place for such acknowledgment)	Yes
May/ 2018/ USA	Motivating Your Work-Alone Employees	CASE Association program co-hosted with Eastern Academy of Management conference	2017	YES	Yes (PI acknowledged RGC funding at conference presentation)	Yes
May/ 2018/ USA	Recognition and Leveraging Strength Increase Job Satisfaction	CASE Association program co-hosted with Eastern Academy of Management conference	2017	YES	Yes (PI acknowledged RGC funding at conference presentation)	Yes

**10. Whether Research Experience And New Knowledge Has Been Transferred / Has Contributed To Teaching And Learning**

*(Please elaborate)*

The topic of i-deals was incorporated in the teaching activities of the PI. From one post-graduate level course in the second semester of 2018/2019 and 2019/2020 academic years (BUS6008 MSc Project), the topic was introduced and discussed with the students. Students had learned more ideas about the topic and conducting a quality scientific research project.

**11. Student(s) Trained**

*(Please attach a copy of the title page of the thesis)*

<b>Name</b>	<b>Degree Registered for</b>	<b>Date of Registration</b>	<b>Date of Thesis Submission / Graduation</b>
N/A			

**12. Other Impact**

*(e.g. award of patents or prizes, collaboration with other research institutions, technology transfer, teaching enhancement, etc.)*

N/A

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**13. Statistics on Research Outputs**

	<b>Peer-reviewed Journal Publications</b>	<b>Conference Papers</b>	<b>Scholarly Books, Monographs and Chapters</b>	<b>Patents Awarded</b>	<b>Other Research Outputs (please specify)</b>	
<b>No. of outputs arising directly from this research project</b>	1	3	0	0	Type	No
					Teaching enhancement	1

**14. Public Access Of Completion Report**

*(Please specify the information, if any, that cannot be provided for public access and give the reasons.)*

<b>Information that Cannot Be Provided for Public Access</b>	<b>Reasons</b>
N/A	