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Brain Drain: Possible Consequence of Employees' Unsuccessful Developmental I-deals

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Summary

Idiosyncratic deals (I-deals) are arrangements between employees and their organisations that provide greater flexibility and autonomy in the workplace. Although I-deals have been shown to positively affect employee attitudes and behaviours, the effects of denied I-deals have received less attention. Moreover, denied I-deals can lead to negative emotions such as anger and frustration, harming work performance and relationships. This paper, therefore, examines the potential repercussions of rejecting developmental I-deals that, if approved, might have benefitted employees, the organisation, and, subsequently, the country. Hence, investigating unsuccessful I-deals will aid a better understanding of the mechanisms underlying these effects and how to counter them.

Keywords: Idiosyncratic deals, I-deals, Developmental, Human Resource Management (HRM)

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Introduction

"Given the versatility of i-deals for solving employment-related problems, we speculate that they also play a role in small business settings in both the developed and less developed world if for no other reasons than the lower incidence of formal policies or standard practices."

(Simosi et al., 2023, p. 20)

An emerging shift in research focus is directing attention towards other cultural contexts and countries, highlighting the need for a more comprehensive understanding of Idiosyncratic deals (I-deals) beyond traditional boundaries. The change in research focus towards I-deals is evident through studies exploring different cultural contexts and countries. For instance, Katou et al. (2021) investigated career I-deals in the Greek crisis economy, where employers face challenges in providing desirable benefits to workers with limited employment opportunities. Liao et al. (2016) conducted a meta-analysis synthesising findings on I-deals from Eastern and Western cultures. Rofcanin et al. (2016) examined I-deals in Istanbul, Turkey, a fast-growing economy. Ayeni et al. (2023) researched I-deals in Nigeria, where highly skilled workers are in internal and external labour market talent wars. Additionally, Gelfand et al. (2007) highlighted the significance of understanding different cultures beyond the USA and other Anglo-Saxon countries, emphasising the implications for employee behaviours. These studies contribute to a broader understanding of I-deals in diverse cultural settings.

However, despite the growing research focus on I-deals in various cultural contexts and countries, there remains a significant disparity in the understanding of non-Western cultures (Simosi et al., 2023), particularly Nigeria, which faces the challenge of brain drain (Ayeni et al., 2023, Ebuka et al., 2022). Nigeria, the most populous nation in Africa, substantially impacts the socioeconomic processes of countries within its region (Edoho, 2015). Lagos, the largest city in Nigeria, is a hub for highly skilled, well-educated, and adaptable employees with substantial market power (Ayeni et al., 2023, da Costa, 2019). Nevertheless, it experiences significant international migration of talented individuals (Imafidon, 2018). Likewise, the country's history of problematic and non-participatory employment interactions, coupled with a lack of employee representation, creates a distinct workplace relations landscape that differs from Western nations like the United Kingdom (Fajana et al., 2011, Miller, 2009, Oyelere, 2014).

Although organisations claim that there is a widely accepted approach to HRM in Nigeria, it is considered to have significant flaws (Anakwe, 2002, Otober, 2016). Some scholars argue that Nigeria's consensus approach to HRM is simply empty talk and hollow promises (Mushfiquer et al., 2018). Consequently, employees in Nigeria often face voicelessness, limited say in employment relations, and a high turnover rate (Oyelere, 2014, Emelifeonwu and Valk, 2019, Siyanbola and Gilman, 2017). This circumstance, characterised by limited employee input and a high turnover rate, has led to the brain drain phenomenon in Nigeria (Ebuka et al., 2022, Mushfiquer et al., 2018, Adisa et al., 2016), which remains a severe issue for the country (Anetoh and Onwudinjo, 2020). Consequently, a comprehensive evaluation and understanding of HR practices in Nigeria are essential to promote effective managerial procedures, recruit, retain a dynamic workforce, and drive socioeconomic performance in the country (Budhwar and Boyne, 2004, Pingel et al., 2019).

Therefore, the paper investigates whether brain drain in Nigeria results from unsuccessful developmental I-deal. Furthermore, it explores the interaction between employees' job performance and LMX. It also investigates how the interaction might lead to the denial of

developmental I-deal negotiations and employees' responses in terms of turnover intentions. The findings can help to further our understanding of developmental I-deal and how supervisors contribute to their identification. In addition, it can uncover new applications and functions of I-deals in Nigeria and the broader employment landscape.

Literature Review

I-deals are personalised agreements between employees and employers, providing flexible solutions to employment-related issues (Bal and Dorenbosch, 2015, Rosen et al., 2013, Liao et al., 2016, Rousseau et al., 2006). These deals can be categorised into various types, including developmental, task, flexibility, workload, and financial (Rosen et al., 2013, Hornung et al., 2008). Developmental I-deals are significant as they enhance skill and career growth (Rosen et al., 2013, Hornung et al., 2008, Hornung et al., 2009, Ng, 2017). Moreover, research has shown that employees who receive developmental I-deals experience increased job satisfaction (Singh and Vidyarthi, 2018), organisational commitment (Katou et al., 2021), work engagement (Hornung et al., 2010), perceived organisational support (Liu et al., 2013), motivation to continue working after retirement (Bal et al., 2012) and intention to stay (Ho and Tekleab, 2016).

However, despite its acknowledged importance, limited empirical research has explored I-deals' role in reducing employee turnover and its intentions (Liao et al., 2016, Ho and Tekleab, 2013, Lee and Chung, 2019). Furthermore, meta-analyses on employee turnover have also overlooked the inclusion of I-deals as antecedents (Rubenstein et al., 2018). This knowledge gap is significant because I-deals can contribute to mutually beneficial outcomes for employees and employers, including talent attraction and retention (Lee and Chung, 2019). Nevertheless, the consequences of denied I-deals and their relationship with employee outcomes have received limited attention (Pestotnik and Süß, 2023). Understanding the implications of unsuccessful I-deal negotiations on employee attitudes and behaviours can shed light on the factors contributing to high turnover rates in countries like Nigeria, where turnover and brain drain are prevalent (Ebuka et al., 2022). Seeing that successful developmental I-deals positively relate to employees' intentions to continue working beyond retirement (Bal et al., 2012) and a sense of commitment by employees towards their organisation (Gouldner, 1960), this paper explores the impact of unsuccessful developmental I-deals on turnover intentions among employees.

Theoretical Background

This research paper builds upon Social Exchange Theory (SET), which explains the dynamics of human social relationships (Blau, 1968). According to this theory, employees' behaviour towards their employers is influenced by the expected outcomes of their interactions. When the perceived rewards outweigh the costs, employees tend to have positive feelings towards the relationship and are likelier to stay. Conversely, if the costs outweigh the benefits, their satisfaction declines, increasing the likelihood of ending the relationship (Blau, 1968).

From the SET perspective, I-deals' nature can vary significantly (Simosi et al., 2023). For example, regarding developmental I-deals, this I-deal often involves a trade-off, where the employee agrees to contribute in specific ways to receive additional training or developmental opportunities (Rosen et al., 2013). On the other hand, an employee may threaten to quit unless they receive a raise or promotion without offering anything in return. Alternatively, they may use a win-win approach, offering to contribute future value to the organisation in exchange for a customised resource, such as developmental opportunities (Simosi et al., 2023).

When explaining I-deals, the interconnection between SET and Leader Member Exchange (LMX) becomes apparent (Sparrowe and Liden, 1997). I-deals are often negotiated within social exchanges between employees and supervisors (Hornung et al., 2010, Rousseau et al., 2006). Hence, employees with high-quality LMX relationships, characterised by trust and support, are likelier to engage in positive social exchanges with their supervisors (Hornung et al., 2010). These employees perceive that their contributions are valued and rewarded, which increases their willingness to negotiate I-deals. In high-quality LMX relationships, supervisors may be more inclined to offer I-deals to their trusted and high-performing employees to reward and retain them (Dansereau et al., 1975, Morf et al., 2019). Nonetheless, the probability of employees' requests being rejected is reduced when they maintain a solid and effective bond with their supervisors (Hornung et al., 2010). Thus, I-deals can be seen as a social exchange that strengthens the positive relationship between the supervisor and the employee. However, it is essential to note that a high-quality relationship does not guarantee that all employees involved are high performers (Çaliskan and Torun, 2019). Instead, it reflects the level of trust, resource exchange, and support between the leader and the member (Graen and Uhl-Bien, 1995).

Based on SET, when employees, especially high performers, do not receive requested I-deals, it could lead to feelings of unfairness (Kwon et al., 2010, Siegrist, 1996, Lee et al., 2022) and consequently may lead to their intention to leave their organisations. Given that I-deals serve as indicators for positive evaluation (Ho and Kong, 2015) and high performers also believe they deserve such arrangements (Bal, 2017, Anand et al., 2010), it is likely that those who receive developmental I-deals will feel a sense of commitment to their organisation and thus are less likely to quit, seeing it as a way to repay the organisation's investment (Gouldner, 1960). Conversely, providing I-deals to deserving employees who perform well can improve their positive work outcomes (Ho and Tekleab, 2016). However, the opposite is expected when employees' requests for developmental I-deals are unsuccessful, as high performers may be more inclined to explore external opportunities (Guerrero et al., 2014), regardless of the reason behind its denial.

Thus, it is logical to assume that when high performers perceive that their contributions and achievements are undervalued or unrecognised, they may feel a sense of inequity, leading to turnover intentions and are likely to seek alternative employment options. Therefore, examining whether the interaction between performance and LMX can predict the outcomes of I-deal negotiations and employees' reactions to unsuccessful I-deal negotiations is essential. Given that high performers are more inclined to perceive the denial of an I-deal as unjust treatment by the organisation, employees who demonstrate high-performance levels but have a low-quality LMX relationship might exhibit greater turnover intentions when an I-deal is denied.

Research Aim/Question

The paper aims to answer the following questions:

1. Does the correlation between employees' job performance and LMX predict the success of developmental I-deal negotiation?
2. Will this interaction lead to unsuccessful developmental I-deal negotiation?
3. Do employees with high job performance and low-quality LMX exhibit signs of intending to leave?

Methodology

This study will employ a quantitative research method to investigate various variables such as employees' performance, LMX, developmental I-deals, and turnover intentions among workers in Nigeria. The primary data collection method will involve distributing questionnaires via email to gather quantitative data. In addition, both supervisor and employee assessments of LMX will be utilised to mitigate social desirability bias.

The study will focus on examining the I-deal experiences of employees in Nigeria, a developing country, aiming to enrich our understanding of the dynamics and implications of I-deals within this specific context. To ensure comprehensive insights across organisational levels and minimise common method bias, supervisors will evaluate employee performance, and the supervisor's and employees' perceptions of LMX will be assessed. In addition, quantitative data will be collected from various employees in Nigeria, enabling a broader workforce representation and enhancing the findings' generalisability.

Conclusion

The present paper provides significant theoretical and practical knowledge that aims to address an aspect of the brain drain in Nigeria through deductive reasoning. It addresses the combined effort of LMX and performance on denied I-deals and, subsequently, employee turnover intentions. It also highlights the difference between I-deals receipt and unsuccessful I-deals and sheds light on the possible negative consequence of denied developmental I-deals in Nigeria.

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