

FINANCIAL IDIOSYNCRATIC DEALS AND INNOVATIVE WORK BEHAVIOUR: A MODERATED MODEL OF INTERACTIONAL PERCEIVED ORGANIZATIONAL JUSTICE AMONG TIED LIFE INSURANCE AGENTS IN KENYA

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ABSTRACT

Purpose: The main purpose of the paper was to determine the moderating effect of interactional perceived organizational justice (IPOJ) on the relationship between financial idiosyncratic deals (I-deals) and innovative work behaviour (IWB) among tied life insurance sales agents in Kenya.

Methodology: The study is grounded on equity theory. Explanatory research design was employed with a target of 1954 tied life insurance agents from life insurance firms in Kenya. Simple random and stratified samplings were used to select 498 tied life insurance agents. Primary data was collected from structured questionnaires. Hierarchical moderated multiple regression was used to test the hypotheses.

Findings: The study findings showed a positive relationship between financial I-deals and IWB ($\beta = 0.476$, $p < 0.05$). Subsequently, when financial I-deals were moderated with IPOJ the findings indicated that there was a significant effect of financial I-deals ($\beta = 0.272$, $\rho = 0.02$) interactions with IPOJ, hence presence of moderating effects on the same variables on IWB.

Implication: The study recommends that life insurance firms should be fair in motivating their employees through granting financial incentives I-deals to enhance IWB. Further research should focus on the moderating effect of POJ on the relationship between task and development I-deals and IWB.

Keywords: Financial Idiosyncratic Deals, Organizational Justice, Innovative Work Behavior.

INTRODUCTION

IWB has generated increased interest in literature in the recent past because of its importance in enhancing employee outcomes and effectiveness in organizations (Noori *et al.*, 2017). A number of past studies agree that IWB is an employee behaviour that leads to the creation, development and implementation of new ideas, products, services and procedures for an individual, a group or

an organization in order to enhance their overall efficiency (Jeroen & Hartog, 2010; Spieglare, 2014), particularly during times of a dynamic business environment. There is also agreement on employee commitment and leadership as some of the crucial drivers for innovation in organizations (Noori et al., 2017).

According to Scott & Bruce (1994), the extent to which any firm can continuously innovate is linked to innovation by her individual employees implying that IWB is associated with benefits both to the organization and to the individual employees. Some of the benefits cited include efficient operation of the organization, minimal industrial conflicts, reduced organizational politics, job satisfaction, work engagement and reduction in work-life conflicts (Basadur, 2004; Scott & Bruce, 1994; Spieglare, 2014). The key message from the studies is that firms have to innovate through their employees on a continuous basis in order to stay competitive and to survive in the long run in their industries.

Financial and other I-deals research has identified a number of factors that make employees to negotiate I-deals. These factors may be categorized into organizational initiated and employee motivational factors. More of the factors that endear employees to initiate financial I-deals are from their own initiatives (Chatfield & Collins, 2013). Individual employee factors that contribute to I-deal negotiation includes the employees own political negotiation skills that enable them to influence the negotiation and granting of the I-deals (Rosen *et al.*, 2013). In addition other employee strategies that enhance negotiations include individual personality related characteristics which include social-emotionally friendliness and mutual consensus development (Liu & Ipe, 2010), leader member exchange (LMX) quality (Hornung *et al.*, 2008, 2009; Rousseau *et al.*, 2010; Rosen *et al.*, 2013), employee motivational goals like status, achievement and communal goals (Sheldon *et al.*, 2003). Organizational factors that can induce employees to I-deals negotiation have been cited by studies to include job characteristics constraints that may include the nature of their jobs and the size of the organizations that they work in (Chiaburu & Carpenter, 2013). Home workers are believed to be active in I-deals negotiation (Chiaburu & Carpenter, 2013).

Perceived interactional organizational justice (IPOJ) is the perception quality of the relationships between the employees and their employers (Petriglieri, 2011). Employees behave depending on their evaluation of the cost incurred or the benefit they get in a relationship and compare such benefits to the effort that they offered (West & Turner, 2010). They stop reciprocation when they perceive injustice in the quality of the interaction they receive in comparison to the efforts expended in the organization (Greenberg, 2011). Employees who perceived interactional justice were committed (Fatt *et al.*, 2010) and developed a strong bond with the organization they work

in (Kim, 2009). Despite the importance of IPOJ, no known study has particularly examined the effect of interactional perceived organizational justice on the relationship between financial I-deals and IWB. Therefore the current study examined it's the role on this relationship among tied life insurance agents in Kenya.

The Kenyan insurance industry just like the global picture of the life insurance industry is confronted with new challenges and opportunities. For instance it is confronted by a growing competition from new entrants who seek to disrupt the traditional market approaches and models that align with customer expectations (Crawford, 2015). This implies that it requires innovative strategies particularly from its distribution perspective so as to be competitive. Therefore insurers are prioritizing efficient customer service through innovative ways like encouragement of loyalty and "brand sticking" and providing fresh services for evolving customer needs through their employees (Crawford, 2015). Some of the innovative distribution strategies used in Europe and USA include supermarket vouchers, digital communication channels, use of customer data and individualized distribution (Crawford, 2015). Some of these strategies are employee-initiated. The same scenario in the insurance industry in America and Europe is replicated in the developing world like in Kenya due to globalization effects. In Africa, the growth of the insurance industry is improving though it is concentrated in the southern Africa, although other Sub-Saharan Countries including Kenya are coming up but at a slow pace (Kangetta & Kirai, 2017). The distribution of life insurance product in Kenya and other developing economies need creative and innovative working done in Europe and USA. This innovative work behavior may be achieved through I-deals that are granted fairly to employees in the insurance industries.

Theoretical review

Financial incentives I-deals is one of the four I-deals conceptualized in research utilizing idiosyncratic theory (Rosen *et al.*, 2013). Similarly, perceived organization justice has its basis on the equity theory by Adams (1963, 1965). According to this theory people compare the ratios of their own perceived work outcomes (e.g. pay and recognition) to their own perceived work inputs (i.e. contributions) to the corresponding ratios of comparison of others (e.g. co-workers). If the ratio is unequal, the party whose ratio is higher is theorized to be inequitably overpaid while the one whose amount is low is said to be inequitably underpaid (Greenberg, 1990). Adams (1965) argued that social behavior is affected by beliefs that the allocation of rewards within a group should be equitable and proportional to the contributions of each of all the group members. Satisfaction by the group members is achieved when the ratios of the inputs to outcomes (i.e., rewards) equal the ratios of inputs to outcomes (Lee, 2000). Since interactional

perceived organizational justice is the fairness in the quality of the relationships between employees and employers, financial I-deals should be granted to employees in a consistent way, with decisions based on accurate information, without discriminating, made ethically, appeals for decisions made, sharing of relevant information as well as treatment of employees with respect, courtesy and dignity.

The relationship between Financial I-deals and Innovative Work Behavior

Financial I-deals are compensation arrangements that meet individual needs, fit the employee, compensate unique skills and contributions, compensation arrangement that raises employee pay due to exceptional contributions made to the organization beyond normal policies and which plan a reward for unique contribution after employee's initial appointment within the organization (Rosen *et al.*, 2013).

Past studies have associated these I-deals to beneficial employee behaviours and attitudes that benefit an organization. For instance, a compensation arrangement that compensates for unique contribution to the organization is likely to make the employee continually committed to the organization (Rosen *et al.*, 2013). This is because employees are likely to quit the organization without such motivation, given that financial incentives are of economic exchange rather than social exchange, and hence are universal, can be replicated among organizations (Liao *et al.*, 2014) and act as a basis for competition for employees by organizations. Therefore when an organization directs focus on financial incentives the employees may evaluate the uneconomical consequences of quitting the organization and instead focus on reciprocating the financial I-deals by searching for ways and techniques for improving processes, products and procedures used in the organization, which is the essence of innovative work behaviour.

Some past scholars believe that financial I-deals have unclear relationships with innovative work behaviour. One such study is by Spieglare *et al.*, (2014) who concluded that financial incentives to employees had a collective impact on innovative work behaviour but not as individuals. However, the current study proposes that financial I-deals have a positive and significant effect on innovative work behaviour and intends to add to literature on idiosyncratic deals-innovative work behaviour. This is because with these I-deals individual employees are facilitated adequately hence providing room for their focus on new ways of producing goods and services. This stance is in tandem with the findings of the study by Milkovich & Newman (2005) who found out that pay was a very important variable when employees were asked questions about how they perceived their employers obligations. In the same light financial I-deals are so

important for an employee when it comes to their view on behaviours like IWB that are important for the performance of an organization. Therefore,

H₀₁ Financial idiosyncratic deals have no significant effect on innovative work behavior among tied life insurance agents in Kenya.

Employee outcomes like IWB are provided at the discretion of the employee and assist in the overall effectiveness of the organization (Janssen, 2000). These beneficial behaviours are discretionary from the employees' perspective since they are not rewarded by the organization just like the other job tasks included in an employee's job-description. The organization views these behaviours as extra-role (Spieglare *et al.*, 2014) hence are not rewarded as the traditional core roles. Although innovative work behaviour is not rewarded, it is known to contribute to the organizations overall effectiveness and performance (Spieglare *et al.*, 2014). It is also believed that this behaviour enhances sustainability in an organization (Sanders *et al.*, 2010) since innovative employees engender a culture of expanded knowledge, varied skills, more responsibilities and higher expectations that drive them in their quest to innovate.

Financial incentives approval by employers are also expected to motivate an employee to reciprocate through non-core work behaviours like the identification, generation, popularizing and implementation of original and new ideas in the work place. Financial incentives I-deals include ensuring compensation arrangements that meet individual employee needs, a compensation arrangement that is tailored to fit an employee, compensation arrangement that covers unique contributions and one that rewards unique contributions after the initial employee appointment. An organization that empowers employees through superior and customized compensation is likely to retain highly experienced and performing employees. Through the I-deals such employees reciprocate by utilizing their experience and high quality skills to craft new ways that may enable the organization gain competitive advantage even if the new ways are not remunerated in the normal way.

The current study also holds that I-deals granted in an organization need to be granted in a way that is perceived by employees to be just so as to bring a significant effect on innovative work behaviour. When I-deals are granted in an environment with interactional perceived organizational justice, employees are likely to be motivated, resulting in an ethical, respectful and dignified exchange relationship that invoke the display of employee outcomes like IWB. Interactional perceived organizational justice refers to the perception of justice in the interaction between employees and employers or their agents who are involved with employee outcomes in comparison with the inputs that they offer (Colquit, 2001).

It involves treatment of an employee with respect, courtesy and dignity, treatment with kindness and consideration, sensitivity to personal needs, dealing with them in a truthful manner, showing concern for their rights, discussing with them the implications of decisions, justification of decisions made about an their job, making explanations that make sense to an employee and clear explanations of decisions made on an employee job (Colquit, 2001). This has the implication that for I-deals offered to bring a significant influence on innovative work behaviour, the granting of all the I-deals must be perceived by all co-workers to be fair in comparison with what they get or may get in the future if they requested for. However, if fairness is not perceived then the likelihood of display of employee outcomes like innovative work behaviour will be minimal. In conclusion, the study proposes that interactional perceived organizational justice moderates the relationship between financial idiosyncratic deals and innovative work behaviour. The study thus, hypothesized that:

H₀₂ interactional perceived organizational justice has no significant effect on the relationship between financial I-deals and innovative work behavior among tied life insurance agents in Kenya.

Conceptual Gaps in the Reviewed Literature

A review of literature on innovative work behaviour identified the following conceptual research gaps. The first gap relates to scarcity of empirical research on the relationship between financial I-deals and innovative work behaviour. Although past research shows that the study by Spieglare *et al.*, (2014) did focus on the relationship between the two, all the I-deals components were not focused by the study. The components that were considered in relation to the I-deals literature were financial incentives. The second conceptual gap relates to the lack of an empirical study on the moderating effect of perceived interactional organizational justice on the relationship between financial I-deals and innovative work behaviour. The only study that focused on innovative behaviour, but from a direct relationship was the one by Agarwal (2013). In particular, this study used only two components of organization justice (procedural and interactional) in a direct effect on innovative work behaviour. Therefore, no known study has investigated the moderating effect of perceived interactional organizational justice on the relationship between them (I-deals) and innovative work behaviour. In this study the independent variable was financial incentives. The dependent variable innovative work behavior is measured by idea exploration, idea generation, idea championing and idea implementation.

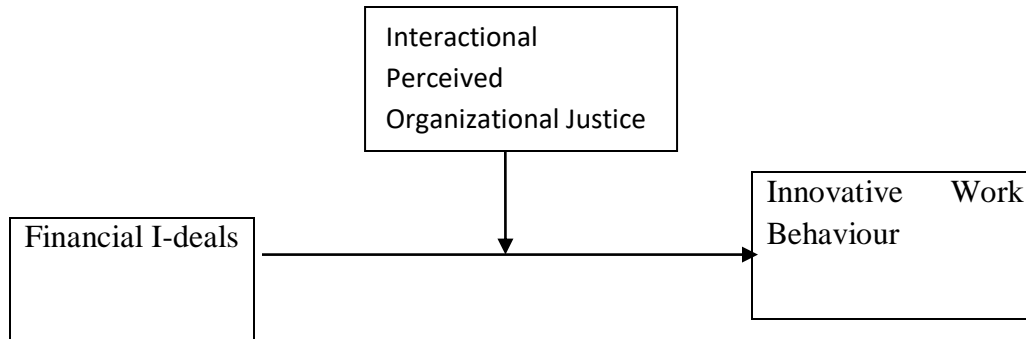


Figure.1. A conceptual framework of financial I-deals, IWB, perceived organizational justice.

Source: Research Data, (2017).

Methodology

Explanatory design was employed to assess moderation by perceived organizational justice represented the indirect causal link in the relationship between financial idiosyncratic deals and innovative work behaviour. The design adopted survey which was used to collect data at one point in time from all the relevant people, subjects or phenomena hence cross-sectional survey approach was adopted.

In the study, IWB which is the dependent variable was operationalized and measured in its four dimensions of idea exploration, idea generation, idea championing and idea implementation with a nine item scale developed and validated by Jeroen&Hartog (2008). Financial idiosyncratic deals were measured by twenty one item likert scale developed by Rosen *et al.*, (2014). Perceived organizational justice was measured by the one dimensions of interactional as well with the scaled developed by Neihoff& Moorman (1993). All the variables were operational zed and the information was obtained from questionnaires distributed to 498 agents through simple random sampling from their unit managers. The unit managers themselves filled the questionnaires for the purpose of evaluating their agents' innovative work behaviour. All the three variables were measured using 7-point likert scales.

Table 1. Operationalization of the Research Variables

Variable	Measurement	Measurement Scale
Innovative Work Behaviour	<ul style="list-style-type: none"> ▪ -pays attention to non-daily work issues. ▪ -wonders how things can be improved. ▪ -searches new working methods, techniques or instruments. ▪ -generates original solutions to problems ▪ -makes others enthusiastic for innovative ideas. ▪ -finds new approaches to execute tasks. ▪ -convinces people to support innovative ideas. ▪ -introduces innovative ideas at work. ▪ -contributes to implementation of new ideas. 	Seven point likert scale.
Financial I-deals	<ul style="list-style-type: none"> ▪ -compensation arrangement that meet individual needs. ▪ -compensation arrangement that fit individual employees 	Seven point likert scale
Interactional Perceived Organizational Justice	<ul style="list-style-type: none"> ▪ -same level of pay. ▪ -fair pay and rewards. ▪ -level of pay and rewards that meet personal needs. ▪ -consistent application of decisions. ▪ -no singling out anyone for discrimination. ▪ -decisions based on accurate information. ▪ -manager allows appeals for decisions made. ▪ -manager handles issues ethically. ▪ -manager treats me with respect, courtesy and dignity. ▪ -manager shares relevant work information. 	Seven point likert scale.

Source: Researcher, 2016.

In this study the reliability of the measures was determined by Cronbach alpha coefficient, which was used to assess the internal consistency or homogeneity among the research instrument items (Sekeran, 1992). A Cronbach Alpha of more than 0.70 was targeted for the reliability of the instruments as shown in table 2. From the results, the Cronbach alpha test showed values that ranged from 0.878 for financial I-deals, 0.861 for IPOJ and 0.878 for innovative work behavior. The coefficient alphas of the variables were reported in Table 2 below.

Table 2: Reliability

Variables	Cronbach's Alpha	Cronbach's Alpha Based on	
		Standardized Items	N of Items
IWB	0.883	0.878	9
FNIDEAL	0.865	0.867	5
IPOJ	0.855	0.861	17

Legend: IWB= innovative work behavior, FNIDEALS= Financial I-deals, IPOJ= Interactional Perceived Organizational Justice

Source: Research Data, (2016)

Further, to achieve construct validity, convergent and discriminant validity were established. This was done by looking at the correlation matrix and the inter-construct correlation. Convergent validity exists when concepts that should be related to one another are actually related, while discriminant validity is when a measure or scale is unique (Hair *et al.*, 2010). Additionally, multi-variate procedures like exploratory factor analysis were used to establish the construct validity of the research instrument. Exploratory factor analysis provided the dimensions (factors) of the instrument (Zikmund *et al.*, 2013).

Data was entered in SPSS version 20, verified and missing data was deleted. Scale reliability and validity were assessed using Cronbach coefficient alpha and factor reduction. The study hypotheses were tested using multiple regression analysis while hierarchical moderated linear regression was used to test the moderator effects. The hierarchical method was chosen because it would show how the prediction of the independent variables, a moderator, and interactions of the independent variables and the moderator improves the prediction (Leech *et al.*, 2011). The moderated regression equation was:

$$y = \beta_0 + \varepsilon_1 \dots \dots \dots (1)$$

$$y = \beta_0 + \beta_1 x_1 + \varepsilon_2 \dots \dots \dots (2)$$

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_1 * x_2 + \varepsilon_4 \dots \dots \dots (3)$$

Where:

y= Innovative Work Behaviour

β_0 = Constant

x_1 = Flexibility I-deals

X_2 = Perceived Organizational Justice

β_1 - β_2 = Coefficient of Regression

e_1, \dots, e_4 = Error Terms

Findings and Discussion

The survey data was screened for a number of potential problems in relation to missing data according to guidelines provided by Tabachnick and Fidell (2013). Initially, missing values were evaluated with respect to cases and their distribution. Most cases had non-missing (95.6%) values and 17 cases (4.4%) had missing values. Thereafter, missing values were assessed with respect to variables. 53 variables did not have missing values while 3 had only minimal missing values. Specifically, 2 variables had one missing value and one variable had two missing values. These were deemed useable but missing data were replaced with mean substitution before further analysis was conducted (Tabachnick and Fidell, 2013). In line with the recommendation of Tabachnick and Fidell (2013) this study used Mahalanobis D2 measure to identify and deal with multivariate outliers. Multivariate outliers would take care of univariate outliers. However, treating univariate outliers would not necessarily take care of multivariate outliers (Hair et al., 2010). Hence, Mahalanobis D2 were calculated using linear regression methods in SPSS, followed by the computation of the Chi-square value. Given that 4 items were used, 3 represent the degree of freedom in the Chi-square table with $p < 0.001$, (Tabachnick&Fidell, 2013). This means that any case with a probability Mahalanobis D2 value of less than 0.001 is a multivariate outlier and should be removed.

Descriptive Statistics and Factor Analysis

In order to do factor analysis for IWB and the other variables its analysis requirements were assessed starting with settling on exploratory (EFA) type which was chosen because the instrument used was slightly adjusted from what had been previously used by other researchers for some of the variables, hence it enabled the exploration of the underlying factor structure of the variables. Then factorability of the data was assessed using Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy which should be statically significant at $p < 0.05$ and the index should range from 0 to 1. Factor extraction was done using principal component analysis (PCA) where factors with Eigen values greater than 1 were chosen. The results from the factor analysis for IWB showed that the factor loading results were above 0.5. This implied that all the factors were retained for further analysis. The KMO measures were above 0.5 hence acceptable. Also, the Bartlett's Test of Sphericity was significant. Table 4.19 shows the above results.

Table 3: Factor analysis for Perceived Interactional Organization Justice

Items	Mean	Loadings	KMO	Bartlett's Test
FNIDEAL	5.014		0.835	890.8
My supervisor has ensured that my compensation arrangement meets my individual needs.	5.29	0.911		
Because of my personal circumstances, my supervisor has created a compensation arrangement that is tailored to fit me.	4.99	0.638		
Because of my unique skills and contributions, my supervisor has been willing to negotiate my compensation.	5.02	0.732		
Beyond formal policies, my supervisor has raised my pay because of the exceptional contributions that I make to the organization.	4.77	0.578		
After my initial appointment, I negotiated with my supervisor to develop a compensation arrangement that rewards my unique contributions.	4.99	0.937		
IPOJ	6.304	0.759	0.681	4408
My manager treats me with respect, courtesy and dignity.	6.63	0.571		
When decisions are made about my job, the manager treats me with kindness and consideration.	6.08	0.623		
When decisions are made about my job, the manager treats me with respect and dignity.	6.25	0.607		
When decisions are made about my job, the manager is sensitive to my personal needs.	5.97	0.607		
When decisions are made about my job, the manager deals with me in a truthful manner.	6.11	0.724		
When decisions are made about my job, the manager shows concern for my right as employee.	5.93	0.678		
Concerning decisions made about my job, the manager discusses with me the implications of the decisions.	6.15	0.706		
The manager offers adequate justification for	6	0.716		

decisions made about my job.				
When making decisions about my job, the manager offers explanations that make sense to me.	6.02	0.663		
IWB	5.22		0.76	2519.218*
How often does the employee pay attention to issues that are not part of his daily work?	4.53	0.795		
How often does this employee wonder how things are can be improved?	5.74	0.777		
How often does this employee search out new working methods, techniques or instruments?	5.15	0.786		
How often does this employee generate original solutions for problems?	5.12	0.859		
How often does this employee find new approaches to execute tasks?	6.05	0.802		
How often does this employee attempt to convince people to support an innovative idea?	5.33	0.758		
How often does this employee make important organizational members enthusiastic for innovative ideas?	5.01	0.818		
How often does this employee systematically introduce innovative ideas into work practices?	4.8	0.759		
How often does this employee contribute to the implementation of new ideas?	5.33	0.861		

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.

Before testing Tests for Regression Assumptions

Univariate and multivariate assessment of outliers was done across all cases. Further, subjection to probability for the mahalanobis D^2 all had values more than 0.001 confirming that there was no outlier. A value of D^2 with low p value (< 0.001) was used as the criteria to reject the assumption that the case came from the same population as the rest (Hair *et al.*, 2010).

Linearity was tested with the SPSS following the accepted procedures. The decision rule applied was that if the value of significant deviation from linearity is > 0.05 , then the relationship between the independent and dependent variables is said to be linearly related but the reverse

was true if the value < 0.05 . The findings for the linearity test confirmed the presence of linearity between the dependent and the independent variables since all the deviations from linearity were significant as their p-values were > 0.05 . To identify the shape of the distribution in the study, Kolmogorov-Smirnov and Shapiro Wilks Tests were used (Shapiro and Wilk, 1965) which were calculated for each variable. Normality could be detected by looking at the p-value of Kolmogorov-Smirnov-test and Shapiro Wilk-test. In this respect if the p-value of the Shapiro-Wilk Test is greater than 0.05, the data is normal. If it is below 0.05, the data significantly deviate from a normal distribution. Therefore since the p-values for all the variables were more than 0.05, then normality of the data was confirmed. The VIF values were less than ten and the tolerance level of more than 0.10 meant that there was no multi-collinearity among the study variables. Since Levene's statistics were above 0.05 (Martin and Bridgmon, 2012). The assumption of homoscedasticity of variance in this study was therefore supported.

Correlation Results

Financial I-deals were indicated to positively relate with innovative work behavior ($r = 0.654, p < 0.01$). Furthermore, perceived organizational justice was positively and significantly associated with innovative work behavior ($r = 0.389, p < 0.01$). This implies that FNIDEALS and IPOJ were expected to influence innovative work behavior.

Table 4. Correlation results

	IWB	FNIDEAL	IPOJ
IWB	1		
FNIDEAL	.654**	1	
IPOJ	.389**	.307**	1
** Correlation is significant at the 0.01 level (2-tailed).			

Test of Hypothesis

The first hypothesis of the study stated that financial I-deals had no significant effect on innovative work behavior. This was however refuted since financial I-deals had a positive and significant effect on innovative work behavior basing on the $\beta_1 = 0.407$ ($p\text{-value} = 0.000$ which was less than $\alpha = 0.05$) thus we failed to accept the hypothesis and concluded that they had a significant effect on innovative work behavior. It therefore means that these I-deals are likely to predict innovative behavior since satisfied and committed employees are likely to benefit the organization through exploration, generation, championing and implementation of new ideas.

The management of organizations should take keen interest to facilitate the granting of these I-deals for purposes of eliciting this behaviour because employees seem to attach more value to these I-deals in predicting innovative work behaviour. This in line with the argument fronted by Rosen *et al.*, (2013) that these I-deals are intended to attract, motivate and improve employees off the job and work-family balance. This then could be the reason employees attach greater importance to these I-deals in working for a particular organization for a longer period of time. Otherwise without financial I-deals employees are likely to quit for other organizations. The study finding on the strong significant effect of financial I-deals on innovative work behaviour as compared to the other I-deals presents a new perspective of these I-deals on attitudinal and behavioral employee outcomes. Therefore this is an important value and contribution of knowledge on I-deals-employee outcomes research and more so on the relationship between I-deals and innovative work behaviour.

Hypothesis 2 posited that interactional perceived organizational justice moderates the relationship between financial I-deals and innovative work behavior among tied life insurance agents. From the table, the interaction between financial I-deals and perceived organizational justice is ($\beta_2 = 0.272$, $\rho = 0.002$). Due to the low p-value associated with the t-value, hypothesis 5 (d) is not supported. Hence, there was a significant moderating effect of perceived organizational justice on the relationship between financial I-deals and innovative work behavior among tied life insurance agents. Table 4.31 shows that perceived organization justice has a positive and significant moderating effect on the relationship between financial ideals and innovative work behavior. Precisely, whenever there is perceived organizational justice, employees have more compensation arrangements that meet their individual needs and are commensurate to their contributions to the organization. The resulting outcome is that employees are motivated to work towards finding original solutions to problems and encourage others to be supportive of innovative ideas. Consequently, perceived organizational justice enhances the relationship between financial I-deals and innovative work behavior. However, the findings of this study ($\beta = 0.272$, $p = 0.002$) did not support this hypothesis hence it was rejected. The findings are also consistent to arguments by Demiret *et al.*, (2015) distributive justice affect important employee attitudes and behaviours as well as on their motivation because of their grievances. Hence unfairness in the granting of these I-deals is likely to evoke strong feelings of dissent on new ideas that are likely to affect the organization's effective capacity. Since previously in other studies on I-deals-innovative work behavior (Spieglareet *et al.*, 2014) there is no evidence of the moderating effect of perceived organizational justice, the present study presents a new finding that contributes to the extension of knowledge and research in this area that is useful for further research.

The hierarchical multiple regression results also revealed an increase in R-square with the addition of the blocks of variables. For instance the controls contributed to an R-square change of 3%. With the addition of the direct variables (Development, flexibility, tasks and financial) I-deals, the R-square increased to 48% (R-square change of 45%). With the moderator (perceived organizational justice) it increased to 49% (R-square change of 1%) meaning that the moderator did contribute to the variance explained on innovative work behaviour by the controls and the direct effects. It however, remained constant at 49% when the interaction between perceived organizational justice and development I-deal was added since the interaction was insignificant. This implied that the interaction did not contribute to the variance of innovative work behaviour. The same scenario was replicated with the interaction of the moderator and task I-deals which was not significant. Therefore there was no contribution on the R-square increase for the two interactions.

However, with the addition of the interaction of perceived organizational justice and flexibility I-deals, the R-square increased to 50% (R-square change of 1%). Finally, with the interaction of perceived organizational justice with financial I-deals, the R-square increased to 51% (R-square change of 1%). This implied that there was a moderating effect of perceived organizational justice on the relationship between financial I-deals on innovative work

Table 5: Moderating Effects of Interactional Perceived Organizational Justice on the Relationship between financial Idiosyncratic Deals and Innovative Work Behavior

Variables	Model 1 B (Std. Error)	Model 2 B (Std. Error)	Model 3 B Std. Error
(Constant)	0.001(0.05)	0.001(0.04)	0.0(0.04)
Zscore: EG	0.003(0.05)	0.05(0.04)	0.046(0.04)
Zscore: EA	0.1(0.06)	0.024(0.04)	0.046(0.04)
Zscore: EDL	0.022(0.05)	-0.015(0.04)	-0.023(0.04)
Zscore: ELS	0.1(0.06)	0.06(0.04)	0.035(0.04)
Predictors			
Z(FNIDEAL)		0.407(0.045)*	0.204(0.077)*
Z(POJ)			-0.013(0.06)
Interactions			
Z (Fnideal_Poj)			0.271 (0.089)*

R	.164a	.690b	.716g
R Square	0.03	0.48	0.51
Adjusted R Square	0.02	0.47	0.5
Std. Error of the Estimate	0.99	0.73	0.71
R Square Change	0.03	0.45	0.01
F	2.64	42.7	30
F Change	2.64	80.5	9.29
Sig.	.034b		.000f
Sig. F Change	0.03	0	0

a Dependent Variable: Zscore(IWB)

Source: Research Data, (2016)

The moderation effects of perceived organizational justice on the relationship between financial I-deals and innovative work behavior was determined using the moderation graph. Like in the earlier case the analysis revealed that the effect of perceived organizational justice is significant at the low, medium and high levels of perceived organizational justice. It further reveals that at low levels of perceived organizational justice financial I-deals have low effects on innovative work behaviour whereas at high levels of perceived organizational justice the effect of financial I-deals become higher. The slopes in the figure indicate that, at low levels of perceived organizational justice, increasing financial I-deals was associated with lower but significant innovative work behavior as compared when it is with medium and high perceived organizational justice as shown in the figure 4.2 below.

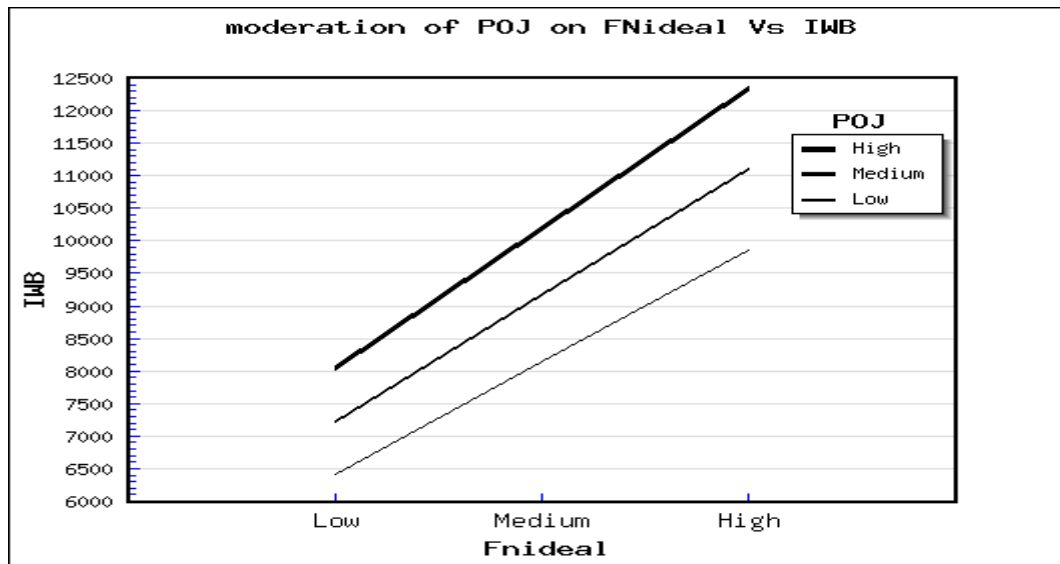


Figure 2: Moderation of Perceived Organizational Justice on the Relationship between Financial I-deals and Innovative Work Behaviour.

Conclusions

It can be concluded that financial I-deals are significantly related to innovative work behavior. In many other past study findings, including the study by Rosen *et al.*, (2014), financial I-deals are believed to elicit less effect on employee attitudes and behaviours. The explanation to this could arise from the attachment that employees place on economic incentives more than on social exchange relationships when reciprocating employee outcomes particularly in the developing countries such as in the Kenyan insurance industry. This finding therefore signifies an important contribution in I-deals-outcomes literature.

Perceived organizational justice also moderated the relationship between financial I-deals and innovative work behavior. According to Liao *et al.*, (2013) in their research involving employees working in retail and professional services, financial incentives I-deals contributed to the majority of the variance explained by I-deals in terms of affective organizational commitment and continuance organizational commitment which refers to emotional attachment, identification and involvement in the organization and commitment based on the costs of associated with leaving the organization respectively.

In the same study, findings showed a significant relationship between financial I-deals and job satisfaction. Consistent to Adams (1965) employees evaluate their exchange relationship through their investments (for e.g. experience, skill, seniority, time and efforts) and their rewards (e.g. money, status, esteem and social identity). Employees therefore may perceive unfairness when they are under-rewarded relative to their investments. This contention is supported by Janssen (2004) who postulates that innovative employee's feel stressed up when they are under-rewarded by the organization. This implies that the social exchange relationship will be curtailed by such unfairness thus undermining reciprocation of the beneficial employee outcome. Therefore from the foregoing explanation, the conclusion is that perceived organizational justice moderates the relationship between financial I-deals and innovative work behavior.

The significant moderating effect of perceived organizational justice on the relationships between I-deals (financial) and innovative work behaviour presents a contribution on I-deals-outcomes literature since many other studies have investigated the direct relationship between I-deals and employee outcomes and few have studied the intermediate processes of the relationships. This study therefore has extended literature by incorporating perceived

organizational justice as one intermediate process on literature on the relationship between I-deals and with innovative work behaviour literature.

Implications of the Study

Finally, the current study findings are in support of equity theory associated with Adams (1965). According to this theory people compare the ratios of their own perceived work outcomes (e.g. pay and recognition) to their own perceived work inputs (i.e. contributions) to the corresponding ratios of comparison of others (e.g. co-workers). If the ratio is unequal, the party whose ratio is higher is theorized to be inequitably overpaid while the one whose amount is low is said to be inequitably underpaid (Greenberg, 1990).

The findings in this study also supported the moderating effect of perceived organizational justice on the relationship between financial I-deals on innovative work behaviour. It thus reveals that if employees perceive unfairness in their rewards from the organization in comparison to what their colleagues get, they are likely to display low outcomes (e.g. innovative work behaviour).

The implication for management of life insurance companies' managements in Kenya is to encourage work plans where employees negotiate for financial incentives that reflect their contributions to the organization's effectiveness. Tied life insurance sales agents may contribute in terms of their peculiar negotiation talents, working overtime in their offices by meeting their clients and also from the number of clients attributed to their negotiation skills and the volumes of their sales.

Finally, the moderation of perceived organization justice on the relationship between financial I-deals is of significant application by practioners in the life insurance industry and other employers. Of importance is that financial I-deals need to be provided in an atmosphere where there is fairness among the employees so that there is a great perception of organizational justice in terms of their distribution, the procedures involved in the distribution and the nature of interaction witnessed by employees with their managers while the I-deals are distributed. Finally, future researchers may examine the same constructs of idiosyncratic deals as the dependent variable, perceived organizational justice which is the moderating variable and the dependent variable, innovative work behaviour using other analysis approaches like Structural Equation Modeling and other software apart from SPSS.

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