

VOL. 17 | APRIL 2023

PERSPECTIVE ON IDIOSYNCRATIC DEALS: A STRATEGY TO WIN THE BEST CANDIDATE

AN OFFICIAL CLIENT UPDATE OF PT HEADHUNTER INDONESIA



Oftentimes, companies do not only compete for their businesses but also for the talent. This happens because talent's quality plays a significant role to support a company's businesses. One of the well-known examples is employee and employer branding which targeted a mass number of people both insider and outsider of the company in order to attract them. Despite other well-known company's strategies to attract the best quality talent, there's one strategy which was made specific for each individual according to their necessity and was not openly campaigned. This strategy is called "Idiosyncratic Deals" or we can call it "I-deals".

Idiosyncratic Deals

According to research conducted by **Ho and Tekleab**, professors of management from Carnegie and Wayne state university, Idiosyncratic deals (I-deals) are voluntary and personalized agreements of non-standard nature, negotiated between employees and employer regarding terms and benefits of each party. The result is, these employees will be responsible for greater organizational commitment, work engagement, and citizenship behaviour. Companies more likely will expect much more from the employees regarding their overall performance which in line with their personalized benefit. The history of I-deals remains unclear about when this practice was first used, but this term originally came from **Denise Rousseau**, a Professor of Organizational Behaviour and Public Policy at Carnegie Mellon University. Since then, many scholars use this terminology to describe the common practice of Personalized agreement.

I-deals usually include <u>five spectrum of work arrangements</u> such as task and work responsibilities, workload reduction, schedule flexibility, ocation flexibility, and financial incentive.

PT HEADHUNTER INDONESIA

HEAD OFFICE

MENARA PALMA, 12TH FLOOR
JL HR RASUNA SAID KAV X-2 NO.6
JAKARTA 12950 - INDONESIA
TEL: +62 21 2939 1284
FAX: +62 21 2939 1222

SURABAYA OFFICE

PAKUWON CENTER, 23RD FLOOR JL EMBONG MALANG NO.1-5 SURABAYA 60261 - INDONESIA TEL: +62 31 6000 3367 FAX: +62 31 6000 3105

- EXECUTIVE LEADERSHIP
- CORPORATE CULTURE
- EMPLOYEE ENGAGEMENT
- TALENT ACQUISITION

CARE. FRIENDLY.
PROFESSIONAL.
DELIVER RESULTS.







This spectrum covers all the best practices to ensure the employees performance based on their preference and background assessment. In a lot of cases, bargaining position plays significant roles in the success of the I-deals, this is not as simply as if candidate is best at the market and the company is desperately need it, but crucially how both parties convince each other about their condition and find the most effective way to achieve their goals. For example, if a candidate asks for schedule flexibility because of their health condition or just simply because they wanted to, the company should consider how crucial a timetable for his work, communication & coordination commitment, and their personal argument before both parties can move to I-deals.

I-deals as a strategy to win the best candidate

Strategy to win the best candidate is very complex in terms of establishment to the implementation, but it can be simplified that in order to achieve these goals, companies must successfully attract the candidate first. Company's often campaigned employer branding as their first move. Things get very tricky when many companies do the same strategy and the only thing that differentiate between one another is its core value.

Before accepting a job offer, candidates went through serious calculation and consideration about their opportunities. This behaviour is quite difficult to be recognized by a company because many factors are involved in it and this is when I-deals can tackle the challenge. From the company's point of view, knowing what the candidate wants is very important because in many cases even if the company is considered to have an "ideal" work environment, the candidate may still not consider accepting the offer. Thus, personalized the benefit will be an effective strategy to win their decision. Obviously, this strategy is ideally applicable to candidates that are considered "best" in the market as they have a unique skill set and everything that the company truly desires, because to create such a personalized benefit, companies must make a trade-off between the current established system and candidate's value. In a worst case scenario, I-deals also could potentially become a company's weapon against another company who at the same time offering the same candidate.

Is it effective?

I-deals negotiated by workers differ from other person-specific employment practices in several ways could be seen as a form of preferential agreement which is often falsely recognized as favouritism or cronyism. Clearly, however, there is a grey area between I-deals and favouritism, even if the I-deals was made prior to employment or once a candidate is on the job. Failure to recognize and attend I-deals can exacerbate their existence and might erode trust and cooperation among the employee.

An important question about this strategy "is I-deals proven effective to win the best candidate and retain their employment?". First, from an I-dealers point of

view, this kind of personalized agreement can be seen as their special advantage, where the scope of deals was most likely containing the most crucial things that the candidate wants to consider about the role and the company. Seeing that the company is willing to make a trade-off also can affect candidates' good perceptions. In addition to this premise, a research conducted by Xuhui Yang also found out that I-deals is positively related to job satisfaction especially in terms of employees' organizational citizenship behaviour. enhancement mechanism is built within the employee because i-deals put the recipient in a position of being better off in the team, thus motivating them to behave in a way that is consistent with the positive self that has been stimulated by I-

Despite bringing many benefits to employees, I-deals may also have a series of negative effects for employees which can lead to negative emotions and voluntary turnover. Personalized agreement may create unintended negative social consequences, specifically when an employee is granted I-deals, the feeling of being envied is likely to emerge, thus resulting in the emergence of a competitive climate at work. Sufficient amount of competitive climate can lead to positive enforcement of self-enhancement and motivate the employee to improve themselves. On the other hand Rousseau states that an excess amount of competitive climate can create symbolic losses to the extent that they impugn the worth or value of others. It is because in a **zero-sum situation**, where all resources are constrained, co-workers are more likely to experience a loss whenever someone is receiving I-deals. For example, time-off or flexibility from one person may result in more work for the others. These kinds of situations are inevitable if the leader of the team or organization cannot cautiously analyze the implication of I-deals and the relations with work management.

Conclusion

Idiosyncratic deals or I-deals can be an effective strategy to win the best candidate and create job satisfaction which leads organizational to commitment through several personal adjustments regarding their benefit and work style. Although research found some negative effects of I-deals, the situation can still be prevented from users and companies by mitigating the growth of a negative environment. By establishing an objective and winwin situation I-deals by listening and understanding each other's perspective (Company to candidate, vice versa), the goals of talent management and employee relations will lead to positive outcomes.

WRITTEN BY WILYAM LIE DESIGNED BY SHABRINA SEPTIANDINI



WILYAM LIEResearcher
PT Headhunter Indonesia