

Being strategic about idiosyncratic deals and employability

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Despite the intensity and protracted nature of the Great Recession, talent remains a fundamental source of competitiveness for companies across industries and the globe. HRM has thus become an increasingly strategic and important means for realizing the value and advantages that reside in employees.

HR practitioners and scholars have responded and sought a variety of ways to harness key talent. Two in particular – *idiosyncratic deals* (*i-deals*) and various notions of employability – have emerged as increasingly popular means in the past decade. Idiosyncratic deals or special arrangements are nothing new. Employees commonly negotiate compensation and other elements before accepting job offers. However, *i-deals* are increasingly creative and important in competitive labor markets. It often is not enough to simply provide all employees with training or allow them to telecommute. Employers instead need to tailor development opportunities and work arrangements to suit individual employees' goals and preferences. As for employability, its history is found in the diverse fields of labor economics, public policy, vocational counseling, and more recently organizational psychology and careers. A few notable and common perspec-

tives today include: employability *competencies* (e.g., Van der Heijde & Van der Heijden, 2006); *perceived* employability (e.g., Rothwell & Arnold, 2006); dispositional employability (e.g., Fugate, Kinicki, & Ashforth, 2004); and finally employability as fit. A common theme to all of these perspectives is that individuals with greater levels of employability are able to identify and realize job opportunities both within and between employers more effectively than those with lower levels of employability. While much has been learned from previous (scholarly) work related to *i-deals* and employability, considerable potential remains. *I-deals* are widely used by HR managers in many of the world's economies to attract and retain key talent. But these same managers are urged to consider at least a couple of important points. First, it is important to contemplate potential implications of *i-deals*, operationalized as 'special treatment', could actually alienate or stigmatize employees and thereby reduce their influence and ultimate contribution to the organization. HR managers need to be cognizant of such unintended consequences. Second, practitioners and academics could benefit from an examination of the return on investment of particular *i-deals* with specific employees. This knowledge

can help inform the use of i-deals and guide the allocation of resources. For instance, does investing in specialized training for an individual actually boost his or her performance? Similar considerations are urged for employability initiatives.

Human capital

Academics and practitioners alike need to distinguish between employability as human capital and employability as 'movement capital'. The former suggests that employability is beneficial to employers, which means they may be well served to invest in the employability of their workforce expecting to yield future benefits (e.g., improved performance and retention). If however employability simply enhances employees' ability to find other employment outside of their current employers, then it may warrant little or no investment. To elaborate, if enhancing the employability (e.g., competencies) of employees simply enables them to move more easily to a competitor, then employers will likely only bear expenses associated with enhancing employability (e.g., training), turnover, and a more able competitor staffed with your former employees. Considerable opportunity also exists in the integration of i-deals and employability, both in research and practice. One benefit lies in determining the causal relationship between the two. Are i-deals manifestations of employability? Are i-deals a means for developing employability? Or, is the answer "yes" for both? The answers are important and worthy of rigorous investigation. It seems reasonable to expect that i-deals providing additional training or opportunities for development would indeed boost one's value, and thus opportunities within and between employers. If true, then this again highlights the need to determine the value of increased employability and to whom; only the employee, the employer, or both. From a more macro or global perspective, work is needed to learn and manage how cultural differences influence notions and

practices related to i-deals and employability? European countries and companies, for instance, typically have much more generous economic safety nets for (redundant) employees. This could render particular i-deals or employability 'enhancements' more or less valuable in different geographies. And of course, what are the relevant generational differences? How do generations differ with respect to the negotiation of i-deals (both content and process) and perceptions of employability?

Be more strategic

Let me conclude with some practical suggestions for those interested in more effectively utilizing i-deals and employability. Foremost, be more strategic and define the objectives for i-deals and employability initiatives. Is the intent to increase (re)employment for locals or redundant employees, facilitate cross-border mobility (employability), or improve competition for talent? To optimize resources, employers and HR managers need to identify which i-deals and employability initiatives are *most valued by the targeted employees*, rather than simply providing common or 'off-the-shelf' practices (e.g., common forms of training and generic schedule flexibility). Next, determine which of those identified can feasibly be provided, given financial, regulatory, and other constraints. Finally, it is important to examine the links between various i-deals and employability investments and relevant outcomes, such as employee attraction, retention, engagement, and performance. These considerations and suggestions provide numerous opportunities for productive collaboration between industry, government, and academia.

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