I-deal for employees

More companies offering ‘idiosyncratic’ contracts

IF THE era of the iron rice bowl has ended, the days of standard terms of employment for staff are surely numbered.

Chances are, your company is giving you a contract different from that of your colleagues, human resource specialists said at a public lecture and panel discussion held last Thursday by the Singapore Management University.

These are known as idiosyncratic deals, or I-deals. In this arrangement, an employee bargains for specific employment terms in areas such as advancement and job content.

It was only five years ago that Professor Denise Rousseau, who specialises in organisational behaviour and public policy at Carnegie Mellon University, noticed this trend in Singapore.

Now, the practice is “beginning to dominate” the workplace, said Madam Ho Geok Choo, president of the Singapore Human Resource Institute.

The reason is simple: With the disappearance of jobs-for-life, there are now more job seekers than ever.

“Market forces are going to drive us to a somewhat different model (of employment) in the future,” said Standard Chartered Bank chief executive Euleen Goh, who was one of the panellists.

Cutting special contracts with employees, however, may not necessarily be a bad thing, as companies gain flexibility and can customise rewards for high-performing individuals.

“It shapes the quality of the relationship people think they have with their employer,” said Prof Rousseau, who delivered the lecture. “It can make employees feel more committed and more valued.”

She listed four I-deals that impact this “psychological contract”, namely, visibility to senior management, promotion opportunities, greater responsibilities and challenging projects.

Surprisingly, market-based pay increases did not figure highly in such deals.

According to Prof Rousseau, such factors represented shorter-term consumables, and do not contribute to an employee’s developmental curve at the company.

Then, there are “troublesome” deals, ones made when an employee is threatening to quit. These arrangements raise the issue of legitimacy of a company’s reward system and breed resentment among coworkers, Prof Rousseau pointed out.

The biggest downsides to the I-deal model are favouritism and the perception of preferential treatment.

Hence, if the I-deal model is to be sustainable, it is important for companies to be transparent and accountable, said Ms Goh.

“We would not want to take any action ... for which we would be ashamed to be made public. It has to pass the newspaper test and ... it has got to be value-driven,” she said.