

Negotiation - the total package

The real test of your mettle might come before you make a single dollar for your new employer. Once you have been offered the job, you may have to negotiate your package.

Negotiating a salary package is no different from any other business deal. Each side wants to pay (or be paid) what's fair, but one party doesn't want to spend too much, and the other doesn't want to receive too little. Simple laws of commerce, really.

Before we go any further, it is probably important to recognize that not all [jobs](#) are open for negotiation on terms, conditions and salaries. The ones that are tend to be the more senior, upper level positions. So it pays to understand what sort of job you are applying for before you start throwing terms like 'deal breaker' around.

Like all negotiations, there is generally a start point and an end point. It's the amount of 'wiggle room' in the middle that differs from deal to deal. In most situations, the employer will be the one who makes the opening gambit - which can be a good thing or a bad thing, depending on your point of view.

On the one hand, you won't run the risk of starting too low. But on the other hand, once they have set the opening height of the bar, you are somewhat limited in the variations you can achieve from there on.

Fortunately, all jobs on the SEEK website have a salary range listed on them, so you will at least know which ballpark you are playing in. It would be highly unusual (not to mention unethical) to be offered anything lower than the specified range. But if you get to the interview stage and impress their socks off, you may find that they offer a bit more to make sure they get you.

Of course it will help if you have already worked out the minimum amount you will accept and the maximum amount you could hope for. The final figure will almost always fall somewhere in between these two numbers. And obviously, you want it to fall nearer to the top one!

But before you even think about getting to the stage where you start to negotiate your package, you need to do your research and decide on a number of factors.

We cannot impress upon you strongly enough how important research is. You are going to have to assume the role of amateur private detective if you are going to negotiate the best possible package for yourself. Talk to everyone you can about the industry, the company, its management and its employees. Find someone on the inside if you can. Make sure you know what's the company's history is, and what's its immediate future prospects are.

Then you need to find out what someone of the equivalent experience and ability as yourself is

earning in the same industry today. Or better still, what someone in the same company is earning. The word 'today' is important because current market conditions will always dictate where the pay level is. When the economy is booming and a particular segment is doing well, pay tends to be higher than normal. Conversely, when times are tough, people get paid less. But you have to put this into perspective. If you take a job in a down time, you should reasonably expect your pay level to rise as the industry's fortunes do. Sometimes you have to think of the longer game.

Often the best people to speak to are recruiters and headhunters. They are the ones who always have their fingers on the pulse in terms of what jobs are available, how many people are in the hunt to get them, and what sort of salaries are being offered. Remember, headhunters will always err on the high side of the salary spectrum because in their business, the more that people get paid, the bigger their commissions. So, like any advice (including ours, for that matter), take it with a grain of salt.

It is worth noting that you are under no obligation whatsoever to reveal what you have been earning previously. If the employer has done their research as well as you have, then they may have some idea. But you don't need to tell them. If you suddenly find that you are being offered way more than you have previously been earning, then that is your good fortune. (Just make sure that you are not stepping up to a level that is beyond you. That situation rarely ends well.)

Once you have negotiated and agreed on what your total package will be, you then need to negotiate how it is structured. Once you have agreed upon a total amount, you need to work out how best to receive it. There will always be a cash component, obviously, but depending on the sort of industry you work in, and the sort of work you'll be doing, there are often ways to structure your package in a way that means you end up with more. Essentially we are talking about minimizing the amount of tax you pay, which has legal ramifications. So to be safe, it's best to talk to an accountant or financial advisor before you start talking to your new employer about it.

Finally, there is one very important thought to bear in mind.

If the job that you are in line for involves some degree of negotiation and 'wheeling and dealing' (and most jobs in the corporate sector do), then you may very well be judged on how well you negotiate your own deal. If you are willing to play hard ball in your salary negotiations, then that should send a signal to your prospective employer that you will be equally tenacious in your dealings on their behalf.

No-one will ever blame you for trying to achieve the best remuneration result for yourself. In fact many business people will think less of you if you give in too easily. So don't be afraid to fight hard for what you're worth.