

The Negotiation of Wages and Salaries

At the commencement of employment, it is the norm for the employer and the employee to come to an agreement on the terms of engagement. One aspect of this which is of concern to both parties is the pay arrangement. This includes the quantum to be paid for the job or service to be provided. While the amount is important, there are a host of factors to be considered in determining how much is to be paid.

The demands of the job, time, effort and risks are all pertinent factors to be considered in the negotiation and in arriving at the decision. The employer may arrive at a decision on the amount to be paid based on an assessment of the value attached to the job. While this is a key factor, the issue of affordability comes into the mix. This can become a contentious factor in the negotiation process, where the employee attempts to get the best possible pay, be it in the form of a wage, salary and /or a one off payment.

It is to be understood that a wage negotiations is not just about what one demands, but how that demand is to be justified. The conclusion of a mutual agreement will more than likely come about, where the parties considered that there is an exercise of reasonableness being demonstrated. Excessive demands will only paralyze and frustrate the process, and lead to unnecessary protraction of the negotiation talks. Be that as it may, there are times when the demands may have more merit than others. In a situation where the evidence speaks to recorded profits by the enterprise, or the forecast for the financial year suggest a positive outturn from business activities, then this presents a good platform on which the employee or the representative body for the employees can make a strong case.

The negotiations of wages and/or salaries or the revision of the same is therefore not an easy exercise. To all intents and purposes it can be a complex undertaking. It is not an exercise to be taken lightly as it requires that the parties focus on arriving at an agreement that is acceptable to both parties. The process can become tedious and stressful process where emotions overtake reasoning and commonsense. This leads to frustration and the protraction of the negotiation process.

By removing emotionalism from the process, along with being calm, resolute, professional and positive, all helps to reduce tensions and allows for a spirit of compromise to prevail. It is important that the employee or the representative body knows the worth of the employee (s). In putting a case for what the employee is worth, it is a first principle that the necessary homework is completed on the employer's ability to pay. It would be overzealous and unrealistic to put a case for any amount which it is known from the outset, is unlikely to be achieved.

The employees' negotiation strength lies with the scope and reasonableness of their demand. Notwithstanding that there is much interest in achieving the goal set by the employee (s) in the wages and salaries negotiation, attention should also be paid to the fact that there are conditions of services or perks that can be negotiated. These can include such things as pension plans, bonus payments and leave arrangement.

It is therefore imperative that prior to the commencement of the wages and salaries negotiation, that adequate preparation is completed. In making a case for a wage or salary at the time of recruitment, or subsequently, for an increase of the same, careful thought ought to be given to some key aspects. These include the level of responsibility, qualifications, training, skill(s) and expertise, effort the job demands and working conditions. It is useful to make and a comparison of the pay that could be had in the same or comparable job elsewhere.