



# SALARY NEGOTIATION

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Whether you are negotiating for base salary, bonuses, benefits, stock options or other incentives – every negotiation begins with two major components; planning, research and communication.

## PLANNING AND RESEARCH

**Do your research and develop your strategy.** Jumping into salary negotiations without first doing your research could have negative effects. Negotiations usually officially begin at time of job offer. Before starting negotiation talks with your potential employer, gather information, plan your approach, consider different alternatives and viewpoints and prepare your strategy.

**Know your market value:** Look at recent salary surveys, talk to others working in the field and contact trade or professional associations to have an understanding of what your peers at competing organizations make. Understand your strengths and resources to be able to respond to the needs of the employer. It will enable you to assess your bargaining position more accurately.

**Know the job:** Be clear on how your skills benefit the organization. If you don't have a lot of work experience, try to identify the needs of the role and how you are a solution to their problems/challenges to obtain specific data about how you will add value.

**Know what you want:** Do a cost/benefit analysis to determine the best opportunity for you. Consider all appropriate elements, including: cost of living, transportation and expenses for the area.

**Prepare a solid negotiation strategy:** Your negotiation strategy must be fully thought out and have data to support the case you are presenting. Be ready to respond to variety of scenarios. For example, what if the employer finds your request to be too high? How will you respond?

## COMMUNICATION

Negotiations should begin after you receive a formal offer, preferably in writing. Once you are clear about the initial offer and feel confident in your research, you can start discussions between you and the employer.

**Be flexible:** When going through a negotiation you aren't likely to get the exact offer you have proposed. Consider offering a range. You will probably have to compromise. The important factor is to figure out how much you are willing to compromise and what you will do if they don't suggest an offer you find acceptable.

**Make your value visible:** Stress what you have to offer the employer and why you are the person for their job. Explain why you would like a change be made to the original offer by pointing out your accomplishments or other relevant factors.

**Share research on fair market value:** Inform your potential employer that you have researched the competitive market salary for this position and taken into account the responsibilities, skills required, and geographical area. Describe where your abilities and qualification place you in the range.



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**Negotiations include several areas.** First, evaluate what is most important to you. Factors to consider could include basic salary, health and dental benefits, vacation time, retirement savings plans, stock options, etc. Weigh the financial and personal value of the benefits offered as part of your gross income.

Often recent grads may not have the experience to engage in salary negotiations. However, there are exceptions.

- You have relevant work experience (internships, summer jobs, etc.) that positively impacts your ability to do the job.
- You have a particular technical expertise, which is in high demand.
- You have an advanced degree in a specific and sought-after area of expertise.
- You have a written offer from another company that proposes a higher salary.
- You are currently employed in similar area and making a higher salary.

Negotiation is not about winning/losing. It is a two-way process where you and your prospective employer are each trying to get something you need. In a negotiation, you're both discussing how each of you will receive the maximum benefit from the final agreement.

## RESEARCH SALARY INFORMATION

- Review job postings to get salary ranges. There will be differences stemming from factors such as industry, size of company and geographical location.
- Several sites offer detailed information about typical wages, benefits, etc., in exchange for detailed information about your training, qualifications and current job description:

**Salary Expert:** Stay informed about your value in today's job market, view a national range for your job and personalize the results to reflect what you should be paid: <http://www.salaryexpert.com/>

**Payscale:** Get accurate, real-time salary reports based on your job title, location, education, skills and experience. <http://www.payscale.com/>

**LinkedIn Salary:** <https://www.linkedin.com/salary/>

**Canada Labour Market Information** is a career tool to help you plan for your future. In addition to salary, it provides useful information about occupations. <https://www.jobbank.gc.ca/explorecareers>

## USE INSTITUTIONS

Specialty schools can be great sources of information about the industries for which they prepare people. Ask the program coordinators what are typical salaries in the field.



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## RESPONDING TO A SALARY REQUEST

Many employers will ask for salary expectations in the cover letter. This is helpful to the company to determine which applicants fit their target hiring range. The reason employers will ask this question is to determine if their budget matches candidate's expectations.

**Option 1: Answer the question directly.** Do your research to identify a salary range for similar role in the same geographical area. Let them know you have done some research and offer a range. Indicate your willingness to consider all aspects of the contract, including benefits, retirement savings plan, details of your responsibilities and other non-monetary compensation such as vacation time.

**Option 2: Postpone the answer.** If you wish to try and postpone question, state in your cover letter something along these lines: "I am very interested in this opportunity and would like to learn more about the full scope of the role to identify a suitable salary range. My salary requirements are negotiable based upon the position and the overall total compensation package, including benefits."

If you have some experience: "My past positions have ranged in salary from X to Y. I am very interested in speaking with you about the opportunity to learn more about this role's scope before providing a firm 'salary requirement.' I am confident we can negotiate a mutually agreeable salary."

Despite your interest in postponing, be prepared to provide a more specific answer. Often during screening interviews, the interviewer will ask again and expect an answer.

In a negotiation process, employers can rescind an offer. For example, if a candidate's target salary is too far apart, they may conclude the candidate won't be happy if they have to make a big salary compromise. Remember it is about ensuring a good fit between the employer and the candidate's needs.

### When the salary offered is lower than expected:

- Ask about the company's approach to salary increases. Inquire when there would be an opportunity to review salary, such as after a specific time period or at performance review. There may be some goals you need to reach before they consider an increase.
- Consider that company shares, RSP contributions, benefits have monetary value.
- Money isn't always everything. Consider if there are other perks that are valuable to you: gaining experience, flex time, short commute, work culture etc. Know your values.

## FINAL TIPS

- Don't bring up salary until the employer does.
- Always continue to demonstrate interest in job and openness to negotiate.
- Ensure you focus on your accomplishments, as salaries are determined in part, by a comparison with others' who are doing the same job.
- Health concerns? Ask for more information about the health benefit coverage.
- Nervous? Practice with a friend or career advisor.



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