

# Salary Negotiation

Whether you are negotiating for base salary, bonuses, benefits, stock options or other incentives, a successful negotiation involves three major components: planning, research and communication.

## Planning

- ✓ **Do your research:** Starting salary negotiations without doing your research could have negative effects. Negotiations usually begin at the official time of the job offer. Before negotiating with your potential employer, gather information, plan your approach, consider different alternatives and viewpoints, and prepare your strategy.
- ✓ **Know your market value:** Check recent salary surveys, talk to others working in the field and contact trade or professional associations to find out what peers at competing organizations make. Understand your strengths and resources to respond to the employer's needs and assess your bargaining position.
- ✓ **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 role's needs and how you are a solution to their problems/challenges. Try to find specific ways to add value.
- ✓ **Know what you want:** Do a cost/benefit analysis to determine the best opportunity for you. Consider all appropriate elements, including the cost of living, transportation and expenses for the area.
- ✓ **Prepare a strategy:** Your negotiation strategy must be fully thought out and have facts and evidence to support your case. Be ready to respond to a 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're clear about the initial offer and you feel confident in your research, you can start a discussion with the employer.

- ✓ **Be flexible:** You're unlikely to get the exact offer you propose. Consider offering a salary range and deciding how much you are willing to settle for ahead of time. Some compromise may be in your best interest.
- ✓ **Show your value:** Emphasize what you have to offer the employer and why you're the best person for the job. Explain why you would like a change to the original offer by pointing out your strengths and accomplishments and how this makes you more valuable to the employer.
- ✓ **Share your research:** Inform your potential employer that you have researched the competitive market salary for this position and considered the responsibilities, skills and geographical area. Describe where your abilities and qualifications place you in the salary range.



✓ **Consider what is most important to you:** Factors to consider could include basic salary, health and dental benefits, vacation time, retirement savings plans, stock options and so on. Evaluate the total value of the offer according to what matters most to you.

Consider all the factors that could help persuade the employer to grant you a higher salary.

- You have relevant work/volunteer experience that makes you more valuable to the company than other candidates.
- You have 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 a similar area and making a higher salary.

Negotiation isn't about winning or losing. It's a two-way process where you and your prospective employer try to meet the individual needs. The employer wants to find the best person for the position at the lowest cost, and you're trying to find the job that is best for you at the highest compensation.

## Research salary information

Review job postings to find salary ranges. There will be differences based on factors such as industry, company size and geographical location. Try these websites to get started.

- **[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.
- **[Payscale](#):** Get accurate, real-time salary reports based on your job title, location, education, skills and experience.
- **[LinkedIn Salary](#):** Search any occupation in any country to get the range and median of salaries for specific companies or organizations.
- **[Canadian Labour Market Information](#):** A career tool to help you plan for your future. In addition to salary, it provides useful information about occupations.

## Responding to a salary request

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



### Option one: Answer the question directly

Do your research to identify a salary range for similar roles 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 two: Postpone the answer

If you wish to try and postpone question, state in your cover letter something like...

- “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 learning 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’s about ensuring a good fit between the employer and the candidate’s needs.

## When the salary offer is lower than expected

- Ask about the company's approach to salary increases. Inquire when there would be an opportunity to review salary. There may be some goals you need to reach before they consider an increase.
- Consider that company shares, RSP contributions and benefits have a monetary value.
- Money isn't always everything. Consider if other perks are valuable to you — experience, flex time, short commute, work culture and so on.

## Tips

- Don't bring up salary until the employer does.
- Always continue to demonstrate an interest in the job and stay open to negotiation.
- Focus on your accomplishments, as salaries are determined in part by comparison with others doing the same job.
- Do you have health concerns? Ask for more information about the health benefits coverage.
- Are you feeling nervous? Practice with a friend or career advisor.

