



NEGOTIATING A SALARY

If you're like most employees, you prefer to be paid for your work. But how much? While many jobs come with fixed wages, plenty of positions offer negotiable compensation packages. If your current or prospective employer allows it, your ability to negotiate successfully can make a real difference to your quality of life. Consider the following strategies if you find yourself in a salary negotiation situation.

Negotiate at the appropriate time: If you've applied for or have recently been offered a job, never *open* a salary negotiation; don't be the first to mention compensation in a job interview or meeting. Always wait until the other party broaches the subject before engaging. Note also that not all salaries are up for negotiation, especially if you belong to a union.

Postpone salary negotiations until after the job offer: If possible, avoid placing yourself in a situation where you are denied a job offer because of your salary demands. Unless you have very specific salary requirements, answer confidently and positively but vaguely if an interviewer asks you about salary. Here is an example of a strong response to the salary question:

My salary requirements are negotiable. If my skills and experiences make me the ideal candidate for this position, I have no doubt that the starting salary you offer me will be more than fair.

This answer avoids specifying an exact number while subtly expressing that you have some concept of your own value. Perfect.

Understand market conditions: Your worth as an employee is determined by a number of factors. Consider the labour market conditions in your industry, your level of skills and experience compared to other applicants, the size and success of the company to which you're applying, and the city in which you will be working. Equal salaries in Windsor and Toronto do not translate to equivalent qualities of life. This seems obvious, but it's an easy point to overlook.


Know what you're worth: Many job postings include salary information, either in the form of a specific figure or a general range. If yours doesn't, consult Working in Canada to determine the general standard industry range for your position. Alternatively, many private career-related websites also offer salary information. Even better, search out other job postings similar to yours. Do any of them include salary information? If you belong to (or will belong to) a professional association, it may be able to provide you with accurate and appropriate salary data for your field. If possible, we also recommend reaching out to professional contacts in your field to determine roughly what entry-level salary you should anticipate. Keep in mind that it is considered impolite to directly ask others how much money they make. Depending on your level of comfort, you also might want to phone employment agencies or executive search ("headhunting") firms to conduct further research.

Have multiple target salaries in mind: The salary you want and the salary you need are probably different numbers. The salary for which you're willing to settle, if different from the one you need, likely falls somewhere in between the two figures. Never accept a number below your salary floor, but understand going in that you may fall short of the number you want.

Know what you need in the first place: The salary you need to enjoy a reasonable quality of life depends on a number of factors. Are you single or do you share living expenses with a working partner? Do you have any children or dependents? Do you plan to in the future? How significant are your student debts? Do you plan on renting or owning a home? Do you plan on owning a vehicle or using public transportation? How expensive are your hobbies? There are several living expense calculators available online to help you put together a rough personal budget. Understand that a salary that works for you may be different from what a friend, family member, or classmate wants or needs.

How to negotiate on paper: Many formal job applications will include a field titled "expected salary" or similar. We generally recommend avoiding entering a specific figure at this point in the process. Use language like "open," "negotiable," or "competitive" so as not to limit your hireability or earning potential before you've even had an interview.

Consider non-monetary job benefits: A job's salary or hourly wage is generally the most important part of a job's remuneration package, but it's not everything. Consider value-added benefits like vacation time, commuting distance, and profit-sharing schemes. Some perks are *literally* worth money insofar as their value can be exactly calculated. If a position comes with drug and dental insurance or a pension, you can determine how much it would cost you to acquire a similar plan privately. Transportation to work also costs money. Other benefits are less explicit, but potentially even more valuable.



Examine opportunities for growth: This consideration merits its own category. It's generally better to take a lower paying job at a company within which you can “move up the ladder” quickly than a higher paying job that provides comparatively few opportunities for advancement. Think, realistically, about the salary you could expect to have in a few years' time. Also consider difficult-to-quantify growth opportunities like access to useful training and mentorship programs. It all adds up.

Negotiate for more than salary: In situations where arguing for more money is ineffective or inappropriate, consider asking for other forms of added value, like the aforementioned benefits. It may be easier for an employer to offer you stock options, for example, than the equivalent value in salary.

Support your position: Document your skills and accomplishments ahead of time and be prepared to talk about them as you argue for your worth. Concentrate on ways in which you can add meaningful value to the company and, ideally, directly generate revenue. Show your research. If an employer offers you a figure that falls significantly below the average in its industry, it's okay to make it known that you are aware of the discrepancy.

What not to do: Never say “I need at least X dollars.” State your preferred salary as a *preference*, or argue that the number in your mind is fair, appropriate compensation. Never make demands or issue ultimatums. Avoid discussing financial *needs*; your employer is obligated to concern itself only with its own finances. Never lie about your salary history in order to exaggerate your compensation requirements.

Future negotiations: If you are not ecstatic about the results of your salary negotiation, or if you are not granted one at all, consider proposing that you and your employer “revisit” the topic at a predetermined point in the future. Your first performance review is a logical point.

Be realistic, but be confident: In general, entry-level salaries have less room for negotiation than higher ranking positions. Understand this reality, but also understand that salary negotiations are normal and expected throughout the working world. Don't adopt an antagonistic stance or assume that an employer is looking to “low ball” you. Know that you're in the position to negotiate for fair compensation within reason. And good luck.

Further reading:

- *Working in Canada* (Government of Canada Job Bank)
- *Hays 2015 Salary Guide*
- *PayScale Salary Data and Research Centre (Canada)*
- *Ontario Society of Professional Engineers Employer Compensation Survey*

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